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CAPACITY DEVELOPMENT FOR SUSTAINABLE AGRO-INDUSTRIALIZATION, ETHIOPIA

LEGAL AND SAFETY REQUIREMENT MANUALS FOR INTEGRATED
AGRO-INDUSTRIAL PARKS

LAND LEASE AND SHED RENT RATE SETTING MANUAL

**FOR AMHARA REGIONAL STATE
INDUSTRIAL PARK CORPORATION (ARSIDC)**



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DEFINITION OF KEY TERMS

RIPDC	Regional industrial park Development Corporation
EDRI	Ethiopian Development Research Institute
GoE	Government of Ethiopia
GTP	Growth and Transformation of Plan
KPIs	Key Performance Indicators
MoTI	Ministry of Trade and Industry
OIPDC	Oromia Regional State Industrial park Development Corporation
RTC	Rural Transformation Centers
SMEs	Small and Medium Enterprise's
TOR	Terms of Reference
UNIDO	United Industrial Development Organization

1. INTRODUCTION

IAIPs, especially when developed by the government, are tools that are used to promote economic development in general and industrialization in particular. Hence, from the government point of view, the main benefit from developing IAIPs is the indirect benefits that are generated through;

- Attracting investment,
- Direct, indirect and induced employment,
- Foreign currency generation from export,
- Backward linkages to agricultural suppliers (especially smallholder farmers), and forward linkages to retailers and markets.

However, in order to enable the financing of expansions, construction of additional RTCs and/or other IAIP, investment cost recovery plus a reasonable margin is recommended. Accordingly, the IAIPs should be operated as commercial property with objectives of recovering their investment cost plus some margin within a reasonable time.

The financial sustainability of an IAIP is dependent on the revenue it is able to generate (mainly via the lease and sale of land). If a lower price is fixed, it will affect the worthiness of the park for the developer, and if a higher price is fixed, the park will not be able to withstand competition. Therefore, the right price has to be fixed.

In view of this, it is imperative to provide legal and regulatory frameworks that should be taken into account by the Corporation and industrial park enterprise to help them understand regulatory compliance requirements during the process of administration, transfer, lease and sub-lease of industrial park lands for the designated investment purposes in the IAIPs, RTC and PCCs.

2. PURPOSE OF THE MANUAL

The purpose of this manual is to determine the selling prices/lease rate of serviced land, shed rents and other facilities and to prepare Lease Agreement that clearly spells out the requirements and responsibilities of all parties to the lease.

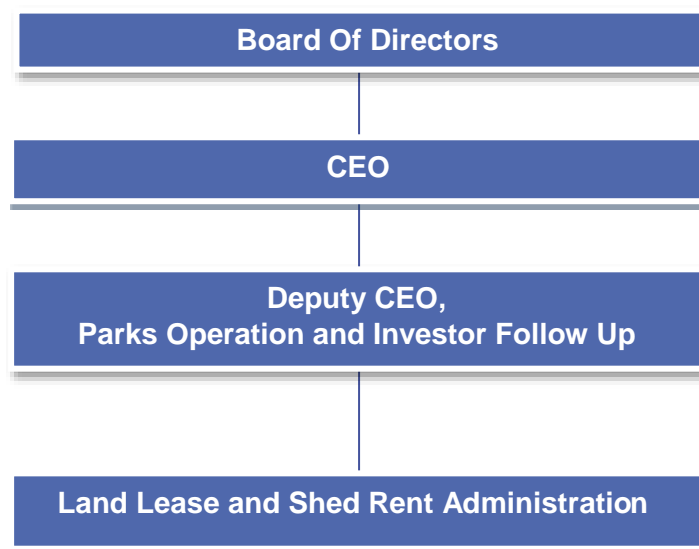
3. MANAGEMENT AND ORGANIZATION

The Regional Industrial Parks system is composed of the Board of Directors, the Regional Industrial Parks Development Corporation (RIPDC), the Integrated Agro Industrial Parks (IAIPs), the Rural Transformation Centers (RTCs) and Primary Collection Centers (PCCs). The Board of Directors is the highest body in the system.

The governance of the RIPDC follows a generic form that can be adapted to the particular needs of the region. The span of control and the accountability chain may vary but the units and functions will more or less remain in the organization.

The proposed organization structure (as depicted in Figure 3.1 below) suggested that the Deputy CEO at RIPDC will be oversee setting land lease and shed rent rate and lease agreement administration. The day-to-day activities will be managed by the Land Lease and Shed Rent Administration which is under Parks and Clusters Operation Directorate.

Figure 3.1: Proposed Organizational Structure of Land and Shed Lease Rate and Lease Agreement Administration



4. PRICING PRINCIPLES AND GOAL PRICING PRINCIPLES

The pricing methodology is developed in consideration of the following principles:

Transparency – the methods used to establish pricing will be clearly explained, well documented, and communicated.

Fair Administration – pricing methods and practices will be consistent with a particular land use.

4.1. Pricing Goal

The IAIPs are public asset and the RIPDCs has a responsibility to ensure the IAIPs are managed to maximize and sustain the flow of economic, social and environmental benefits to the public, now and in the future.

In determining the price for the use of the facilities in the IAIPs, the over-arching goal is a fair return based on market values. Consequently, prices should;

- Reflect the prevailing prices on the local market; and
- Prices should enable the developer to recover costs plus margin, in order to enable the financing of future expansion and/or upgrade needs.

Rents for each type of tenure should enable the developer to recuperate the incurred investment cost for developing the IAIPs, within reasonable time including an equitable margin of profit. In addition the rents should also offset the costs of administering the IAIPs. Annual minimum rents are established to off-set tenure administration costs.

5. POLICIES AND LAW RELEVANT TO LAND GOVERNANCE IN ETHIOPIA

Providing a plot of land for investors who wants to invest in the IAIPs, RTC and PCCs is one mechanism to promote and attract foreign direct investment by easing the transactions costs that relates to land acquisition process for investment purposes. This is why the law clearly indicates that restrictions in terms and tenure of land and use of urban or rural land and bidding system shall not apply on industrial park land. In view of this rule it is imperative to provide legal and regulatory frameworks that should be taken into account by the Corporation and industrial park enterprise to help them understand regulatory compliance requirements during the process of administration, transfer, lease and sub-lease of industrial park lands for the designated investment purposes in the IAIPs, RTC and PCCs.

6. DESIGNATION OF INDUSTRIAL PARKS LANDS FOR IPS OR IAIPS

If the RIPDC wants to develop an IPs or IAIPs in the Region, an application to the competent body of the regional and federal government should be made for the designation of an undeveloped or a developed land as an IPs or IAIPs. However, when applying for the designation of an industrial parks to develop or construct IAIPs and related RTCs, the corporation should demonstrate the following conditions:

- Capacity of the industrial park development project to create job opportunities for citizens and the local communities;
- Potential capacity to transfer knowledge, skill and technology to the local employees to be employed in the IAIPs or RTCs;
- Its potential to increase export and encourages backward and forward linkages of agricultural inputs in the region;
- Its contribution to national and regional infrastructure development and
- The availability of human resource necessary for the management and operation of the IAIPs or RTCs.

7. ACCESS TO DEVELOPED LAND AND SHADES

7.1. Land Acquisition for Industrial Park Development

The RIPDC is legally mandated to construct IAIPs, RTCs and as well as PCCs in the region. In order to realize this mandate, the corporation is required to obtain land from its own regional government designated for the development of IAIPs, RTCs and PCCs. Hence, the Corporation is required:

- To get a site plan to develop and administer it or develop such land through public private partnership arrangements.
- To secure leasehold certificate from a competent authority of the Region to guarantee the security of sub-leasehold tenures in order to boost the confidence of private investors who invest in the IAIPs, and RTCs as the case may be through leasehold system;
- Conduct a study as to how the people displaced from their lands for IAIPs, RTCs and PCCs be integrated and enter in to the constructed industries and participate on the investment using their money saved from compensation paid.

7.2. Sub-Lease Developed Lands for Enterprises

The Corporation has the legal power to rent or sub-lease developed land in the IAIPs and RTCs to domestic and foreign investors selected to operate in these parks and collect rents from same. Hence, to realize these duties, the Corporation should:

- Ensure that any decision to transfer developed land including rental of shades in the IAIPs and RTCs to enterprises engaged in the production and supply of agricultural inputs through sub-lease be approved by the decision of the board;
- Make sure that any business enterprise who wants to lease land has secured investment permit as per the relevant regional and federal investment laws;
- Notify the conclusion of such sub-leasehold agreement to the relevant federal or regional investment commissions or any another competent authority entrusted with power to register leaseholds;
- Cooperate with the relevant federal or regional investment commissions or any another competent authority entrusted with power to register leaseholds for the issuance of certificate of sub-leasehold to an enterprise that has acquired developed land in the IAIPs and RTCs on the basis of sub-lease from the Corporation;
- Ensure that any enterprise may not transfer sub-leased lands in IAIPs, or RTCs to third parties without a written permission of the Corporation or any park administer under its authorization;
- In case sub-lease of developed land in the IAIPs, or RTCs to third parties is permitted by the Corporation or any park administer under its authorization, such effect should be notified to the relevant federal and regional investment commission or land administration bureau of the region in order to facilitate the re-issuance of the sub-leasehold certificate to such third parties.
- Take responsibility for operating industrial parks land site registration, plot leasing, and sub-leasing functions in the IAIPs, and RTCs that it administers.

7.3. Lease and Sub-Lease of Shades

In addition to the provisions of developed lands, the corporation may also build shades in the developed IAIPs and RTCs in order to transfer to cooperatives, farmers, suppliers and enterprises through rental system for different legal purposes. Hence, the Corporation should ensure the implementation of the following activities:

- Conduct a study on the rental price of shades in the IAIPs and RTCs based on the willingness to pay and ability to pay of cooperatives, farmers, suppliers and

- enterprises and cause such rental price be set by the Board based on the market price and commensurate to the development invested on the shades
- Prepare standard contract for lease or sub-lease of shades in the IAIPs or RTCs;
 - Permit or deny the lease of shades built by farmers, cooperatives, suppliers and enterprises in the IAIPs or RTCs to other similar entities based on the relevant provisions of the law and in accordance with the development plan of the park;
 - Monitor the rental or sub-rentals of shades built by farmers, cooperatives, suppliers and enterprises in the IAIPs or RTCs to other similar entities in case such investment operations are allowed by the corporation or relevant legislations;
 - Ensure lease contracts on shades by farmers, cooperatives, suppliers and enterprises in the IAIPs or RTCs are notified to the Corporation;
 - Evaluate and monitor that the shades rent price set by the enterprise in the IAIPs or RTCs was not exaggerated and conforms to the market price and commensurate to the development invested on the shades.

7.4. The Rights of Mortgaging Sub-Leased Developed Industrial Parks Land

In order to enhance the sources of financing investments in the IAIPs and RTCs, enterprises should be permitted as provided under the law to mortgage their sub-leased land commensurate to the development invested on the land. Accordingly the corporation should facilitate the mortgaging process for the enterprises who leased land in IAIPs and RTCs in order to obtain loan from financial institutions.

8. PRICING APPROACH AND PROCEDURE PRICING APPROACH

In general, price setting is done by selecting one of the two frequently used pricing approaches.

- Competition based approach (going-rate pricing),
- Cost-based approach (cost-plus pricing)

The competition based approach (going-rate pricing) bases its price largely on competitor's prices. If identical properties in nature and characteristics are available comparing the rents agreed to establish the rent for any property would be straightforward. However, in practice, letting terms vary considerably, even for similar properties.

However, since IAIPs are the first of their kind in Ethiopia, there is no other similar facility that can be considered a direct substitute.

There are various IPs developed by IPDC, which, however, are fundamentally different from IAIPs in terms of the investors targeted, type of service provided etc.

Moreover, all the IPs developed by IPDC offers pre constructed standard shades and the great majority are targeted at the textile sector, except for Kilinto IP, that offers only developed land and targets the pharmaceutical industry.

Accordingly, the available closest competitors for the IAIPs are the industrial zones developed by city administrations.

Nevertheless, in addition to the four under construction IAIPs, 17 areas with agro-industrial potential (Agro-Industrial Growth Corridors-AIGCs) are identified across the country.

Accordingly, since the IAIP's will be operating in a highly competitive environment with a number of alternative industrial premises providers not only locally but also in other countries including neighboring countries, maintaining competitiveness will be a critical issue for sustainability.

Therefore, as the foregoing discussion pointed out, competition based or going rate pricing approach is unavoidable as charging for more than the going rate would not attract tenants and would eventually force the IAIPs out of the market.

As indicated earlier the closest competitors for IAIPs are industrial zones developed by city administrations. However, in terms of infrastructure and facility the IZs are simply a tract of land supplied with power, electricity and water.

Accordingly, due to the unmatched facilities and service and their various advantages for investors, IAIPs are generally expected to command a much higher rates than the IZs. However, if the asking price is excessively high, the IAIP might erode the advantages it offers, in which case, the investor still have the option of choosing the IZs.

Therefore, for the IAIPs under consideration, a combination of both approaches is adopted i.e. benchmarking industrial zones developed by city administrations as the minimum price and most importantly cost recovery.

9. PRICE SETTING PROCEDURE

9.1. Developed (Serviced) Land

9.1.1. Benchmarking

a) Industrial Zones Developed by City Administrations

In Amhara Regional State, the regional government has provided details regarding grace period, lease period, lease payment period, advance payment etc. under the Revised Urban Land Lease Holding Regulation No. 105/2012. Lease period ranges from 99 years for residential housing, social service, education, health, sport and culture to 80 years for industry and 70 years for trade while the lease payment period ranges from 40 years to 60 years based on type of investment.

Moreover, advance payment of lease based on the type of investment ranges from 10% to 15%. The lease price is payable after the grace period annually. For those that pay the entire amount of the lease within short periods receive discounts. Furthermore, based on the type of investment, one to four years grace period is also provided. For those investment areas the regional government deems important land may be provided without auction and negotiation for free.

Moreover, the ANRS has issued a land lease benchmark price guideline. In order to set a benchmark lease price, based on socio economic development, the guideline categorizes the cities/towns in the region into six levels. Moreover, within the cities/towns urban land is divided into 2 to 5 grades depending on the development level of each city/town. Accordingly, lease benchmark price for industrial zones in Amhara region shown in Table 9.1.

Table Error! No text of specified style in document.Error! No text of specified style in document.Error! No text of specified style in document..1:**Industrial Park Lease Benchmark Price In Amhara Region**

Level of Town	Grade of Land	Birr per m ²
1	1	60.00
	2	51.42
	3	34.28
	4	17.14
	5	8.57
2	1	54.45
	2	46.67
	3	31.11
	4	15.55
	5	7.77
3	1	47.86
	2	41.02
	3	27.34
	4	13.67
	5	6.83
4	1	27.61
	2	19.99
	3	16.69
	4	5.89
5	1	25.31
	2	18.24
	3	15.29
6	1	13.89
	2	10.94

Accordingly, based on the following assumptions;

- The project that will be located in cities/towns categorized as first level and will obtain land at a lease rate of Birr 60 per m², which is equivalent to the highest lease rate for cities/towns categorized as first level;
- Land requirement is 10,000 m²;
- 40 years payment completion period;
- 10% down payment; and
- 12% interest.

The total lease cost, for a period of 80 years at a land lease rate of Birr 60 per m² will be Birr 600,000, of which 10% or Birr 60,000 is paid in advance. The remaining Birr 4.32 million will be paid in equal installments, within 40 years i.e. Birr 540,000 annually, plus 12% interest.

Based on the above assumption the annual payment is shown in Table 9.2.

Table 9.2: Lease Payment Schedule For Industrial Zone

Year	Total Land Lease Cost	Payment	Payment Balance	Interest Payable	Total Annual Payment	Annual Payment (Birr per m ²)	Annual Payment (USD per m ²)
Initial	600,000	60,000	540,000	-	60,000	6.00	0.15
Year 1	-	27,000	513,000	81,000	108,000	10.80	0.27
Year 2	-	27,000	486,000	76,950	103,950	10.40	0.26
Year 3	-	27,000	459,000	72,900	99,900	9.99	0.25
Year 4	-	27,000	432,000	68,850	95,850	9.59	0.24
Year 5	-	27,000	405,000	64,800	91,800	9.18	0.23
Year 6	-	27,000	378,000	60,750	87,750	8.78	0.22
Year 7	-	27,000	351,000	56,700	83,700	8.37	0.21
Year 8	-	27,000	324,000	52,650	79,650	7.97	0.20
Year 9	-	27,000	297,000	48,600	75,600	7.56	0.19
Year 10	-	27,000	270,000	44,550	71,550	7.16	0.18
Year 11	-	27,000	243,000	40,500	67,500	6.75	0.17
Year 12	-	27,000	216,000	36,450	63,450	6.35	0.16
Year 13	-	27,000	189,000	32,400	59,400	5.94	0.15
Year 14	-	27,000	162,000	28,350	55,350	5.54	0.14
Year 15	-	27,000	135,000	24,300	51,300	5.13	0.13
Year 16	-	27,000	108,000	20,250	47,250	4.73	0.12
Year 17	-	27,000	81,000	16,200	43,200	4.32	0.11
Year 18	-	27,000	54,000	12,150	39,150	3.92	0.10
Year 19	-	27,000	27,000	8,100	35,100	3.51	0.09
Year 20	-	27,000	0	4,050	31,050	3.11	0.08
		600,000		850,500	1,450,500		
Maximum per m² annual payment						10.80	0.27
Minimum per m² annual payment						3.11	0.08
Average per m² annual payment						6.91	0.17

As can be seen from the above Table the annual payment for leasing land in the industrial zones in Amhara region ranges from Birr 10.80 (USD 0.27) to Birr 3.11 (USD 0.08) per m², with an average annual payment of Birr 6.91 or USD 0.17 per m².

However, in terms of infrastructure and facility the IZs are simply a tract of land supplied with power, electricity and water. Accordingly, due to the unmatched facilities and service and their various advantages for investors, IAIPs are generally expected to command a much higher rates than the IZs i.e. similar to the concept of value capture, which is based on the idea of capturing the valorization of the price of the land generated by the provision of infrastructure and services in order to finance its development. As the demand for land is a derived demand, its price depends on the potential benefits that it can generate for

those who use it. Interventions in the form of developing various infrastructure and utilities can all increase the benefits for those utilizing the properties. This, in turn, can result in higher land prices. As this valorization is generated solely by the decision to develop the IAIPs, the developer has the right to capture this value. Value capture seeks to recover gains in land value specifically attributable to infrastructure investment.

However, if the asking price is excessively high, the IAIP might erode the advantages it offers, in which case, the investor still have the option to choose the IZs.

b) Kilito Industrial Park

At Kilinto IP, developed land is offered at the following rate:

- Year 1-5 - USD 5.0 (Birr 200) m² per annum;
- Year 6-10 - USD 7.0 (Birr 280) m² per annum; and
- Year 11 + - a flat rate of USD 9.0 (Birr 360) m² per annum.

9.1.1.1. Cost Recovery Based Price Setting for Developed Land

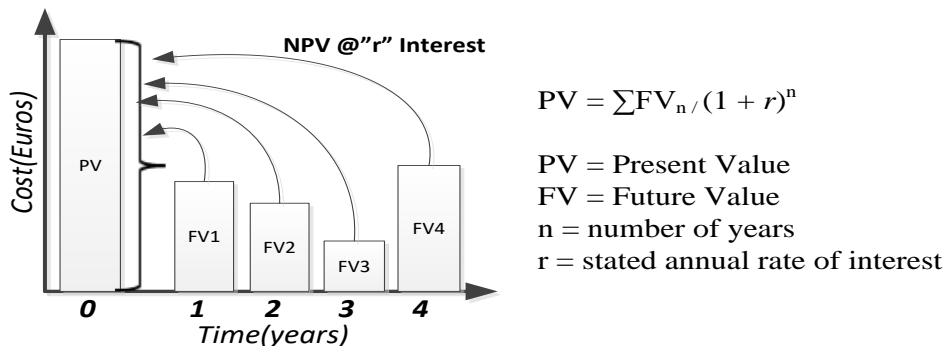
The cost recovery based price setting approach seeks to recover the **infrastructure development cost plus margin**, which is calculated based on the total investment cost and assumptions with respect to a reasonable margin.

For example assuming that the total development cost allotted for serviced land is Birr three billion or USD 75 million and the total rentable area is one million m², the per m² development cost of the serviced land is Birr 3,000 or USD 75. Hence, considering a 20 years cost recovery period, and a 20% margin, the annual lease that should be charged is Birr 180/ m² (3000/20x1.2) or USD 4.50/ m².

At an annual lease rate of Birr 180/ m², the cumulative revenue at the end of 20 years will become Birr 3.6 billion i.e. equivalent to the investment cost plus a 20% or Birr 600,000 margin.

However, the concept of time value of money (TVM) should be considered. TVM is the concept that money at hand now is worth more than the identical sum in the future due to inflation, devaluation etc. Accordingly, an appropriate discounting is applied in future cash flow streams to enable the calculation of the extent to which a sum of future money is worth today i.e. present value (PV). Figure 9.1, illustrates the concept of PV.

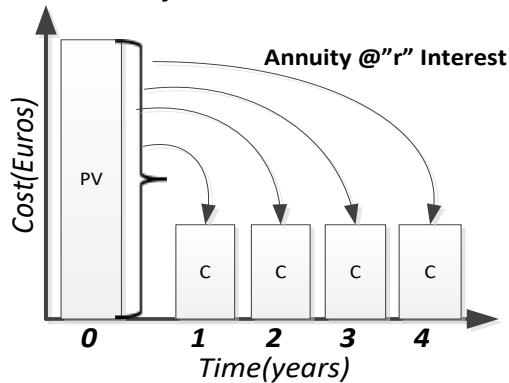
Figure 9.1: Present Value



Hence, assuming a discounting rate of 12%, when the NPV of the 20 years revenue is discounted, the total cumulated revenue, at the end of the 20 years, will decline to Birr 1.344 billion, which means, in terms of present value, only 44.82% of the Birr 3 billion investment cost is recovered.

Accordingly, FV based on annuity should be considered to price the effective lease rate. The concept of annuity as illustrated in Figure 9.2.

Figure 9.3: Annuity and Constant Cash Flows



$$PV = C/r(1-(1/(1+r)^T))$$

The present value of a T period annuity paying a periodic cash flow of C, when the discount rate is r.

According, by applying the above assumption, for the investment under consideration, in order to recover its investment cost including 20% margin within 20 years, in terms of present value, the annual lease that should be charged is shown in Table 9.3.

Table 9.3: Annual Lease That Should Be Charged By The Investment Under Consideration For Recovering Its Investment Cost Within 20 Years

Year	Annual Lease Rate Per M ² (in Birr)	Annual Total Revenue (in Birr)
1	202	201,600,000
2	226	225,792,000
3	253	252,887,040
4	283	283,233,485
5	317	317,221,503
6	355	355,288,083
7	398	397,922,653
8	446	445,673,372
9	499	499,154,176
10	559	559,052,678
11	626	626,138,999
12	701	701,275,679
13	785	785,428,760
14	880	879,680,211
15	985	985,241,837
16	1,103	1,103,470,857
17	1,236	1,235,887,360
18	1,384	1,384,193,843
19	1,550	1,550,297,104
20	1,736	1,736,332,757
Total Cumulative		14,525,772,397
PV		3,600,000,000

Nevertheless, it should be noted that, in addition to recovering its investment cost, an IAIP have to also cover its operation cost. Hence, the lease rates shown in Table 3 have to be adjusted by considering operating costs. For example assuming that the annual operating cost will be 5% of the total cost, the annual lease rates have to be adjusted as shown in Table 9.4.

Table Error! No text of specified style in document.Error! No text of specified style in document..4: Annual Lease That Should Be Charged By The Investment Under Consideration Considering Operating Costs

Year	Per M2 Annual Lease Rate (in Birr)	Annual Total Revenue (in Birr)	Total Operating Cost	Net Profit
1	212	211,680,000	10,080,000	201,600,000
2	237	237,081,600	11,289,600	225,792,000
3	266	265,531,392	12,644,352	252,887,040
4	297	297,395,159	14,161,674	283,233,485
5	333	333,082,578	15,861,075	317,221,503
6	373	373,052,487	17,764,404	355,288,083
7	418	417,818,786	19,896,133	397,922,653
8	468	467,957,040	22,283,669	445,673,372
9	524	524,111,885	24,957,709	499,154,176
10	587	587,005,311	27,952,634	559,052,678
11	657	657,445,949	31,306,950	626,138,999
12	736	736,339,463	35,063,784	701,275,679
13	825	824,700,198	39,271,438	785,428,760
14	924	923,664,222	43,984,011	879,680,211
15	1,035	1,034,503,928	49,262,092	985,241,837
16	1,159	1,158,644,400	55,173,543	1,103,470,857
17	1,298	1,297,681,728	61,794,368	1,235,887,360
18	1,453	1,453,403,535	69,209,692	1,384,193,843
19	1,628	1,627,811,959	77,514,855	1,550,297,104
20	1,823	1,823,149,395	86,816,638	1,736,332,757
Total Cumulative		15,252,061,017	726,288,620	14,525,772,397
PV				3,600,000,000

Moreover, in order to decide that the above lease rate is the most optimal, financial analyses have to be undertaken.

Financial feasibility analysis is an analytical tool used to evaluate the economic viability of an investment. It consists of evaluating the financial condition and operating performance of the investment and forecasting its future condition and performance. A financial decision is dependent on two specific factors, expected return and expected risk, and a financial feasibility analysis is a means for examining those two factors

In order to evaluate the financial feasibility of an investment project, relevant measurements or criteria need to be specified. Financial feasibility can be measured on the basis of accounting profits (from financial statements) or the projected cash flows of the project. Financial statements are records of actual financial activities of a business and are therefore not available for prospective projects, but projections of statements can be used to gain a better understanding of a project's finances. The cash flows of the project can also be projected and used to analyze the performance of the prospective project. There are several different cash flow based methods that can be used to measure the financial feasibility of an investment project, such as Net Present Value (NPV) and Internal Rate of Return (IRR).

Accordingly, a financial analysis of the project under consideration was undertaken, based on the following assumption.

- **Project Life:** The time allotted for the implementation activity up to final commissioning is 36 months. With regard to operational life of the project, a standard assumption of 20 years is considered. Hence, the costs and benefits of the project are computed over 23 years.

- **Depreciation and Amortization:** Straight-line depreciation method with 5%, linear to scrap value is considered
- **Terminal (Salvage Value):** is computed based 25% rate
- **Source of Finance:** 100% of the investment cost is financed by government equity contribution
- **Discounting:** an 18% discounting rate is adopted.
- **Tax and Incentive:** Income tax exemption for 10 years. In the remaining years a 30% income tax is considered.

Based on the above assumptions the result of the financial analyses shows that the internal rate of return (IRR), which is the "annualized effective compounded return rate" or the rate of return that sets the net present value of all cash flows (both positive and negative) from the investment equal to zero, hence, the discount rate at which the net present value of future cash flows is equal to the initial investment or the discount rate at which the total present value of costs (negative cash flows) equals the total present value of the benefits (positive cash flows) is 11.61%.

A project is a good investment proposition if its IRR is greater than the cutoff rate considered (in our case 18%). Accordingly, the IRR of the project under consideration, which is computed to be 11.61%, indicates at the given cost and benefit the project is not financial viable.

Moreover, the Net present value (NPV), which is defined as the total present (discounted) value of a time series of cash flows, aggregates cash flows that occur during different periods of time during the life of a project in to a common measuring unit i.e. present value. It is a standard method for using the time value of money to appraise long-term projects. NPV is an indicator of how much value an investment or project adds to the capital invested. In principle a project is accepted if the NPV is non-negative. In this regard, the net present value of the project at 18% discount rate is found to be Birr -924.95 million, which is unacceptable.

In order to make the project financially viable, the above lease rate has to be adjusted as shown in Table 9.5.

Table 9.5: The Lease Rates Which Will Make the Project Financially Viable

Year	Annual Lease Rate Per m ² (in Birr)	Annual Lease Rate Per m ² (in USD)
1	476	11.91
2	533	13.34
3	597	14.94
4	669	16.73
5	749	18.74
6	839	20.98
7	940	23.50
8	1,053	26.32
9	1,179	29.48
10	1,321	33.02
11	1,479	36.98
12	1,657	41.42
13	1,856	46.39
14	2,078	51.96
15	2,328	58.19
16	2,607	65.17
17	2,920	72.99
18	3,270	81.75
19	3,663	91.56

Year	Annual Lease Rate Per m ² (in Birr)	Annual Lease Rate Per m ² (in USD)
20	4,102	102.55

Based on the lease rate shown in Table 5, the IRR and NPV of the project are computed at 21.06% and Birr 539.48 million, indicating at the given lease rate the project is financial viable.

Accordingly, if the developed land is offered at the following rate, it will be financially acceptable:

- Year 1-5 - USD 16.25 (Birr 650) m² per annum;
- Year 6-10 - USD 21.25 (Birr 850) m² per annum; and
- Year 11 + - a flat rate of USD 33.75 (Birr 1,350) m² per annum.

However, the above rate is much higher than the benchmarked rates of the IZs developed by the city admirations and Kilinto IP. Hence, there is a need for lowering the lease price of the developed land without affecting the financial viability of the project, which can be done by cross subsidizing the land lease rate for the developed land by the rental revenue generated from the other facilities of the IAIP i.e. residential facilities, logistic and warehouse, commercial facilities and the revenue to be generated from the supply of treated water, waste treatment and disposal and management fee.

Accordingly, in order to set a realistic price, detail information about the facilities and capacity of the IAIPs and the RTC is required.

10. LEASE AGREEMENT

The lease agreement is the basis for the relationship between the investor (lessee) and the estate management (the lessor). The important points in any lease document are as follows (Details are shown in Annex 1):

- **The property:** the property to be leased should be clearly specified in a map and a description of the property attached to the lease. It is important that this map and description be accurate.
- **Term and rent:** the term of the lease (how many months or years and the termination date) should be set out as well as the amount of the rent (monthly, quarterly, annual) and the payment days.
- **Undertaking:** there should be an undertaking from both the lessor and lessee to comply with all conditions of the lease.
- **Right of Entry;** it is important that the lessor be able to enter the property at all reasonable times to maintain infrastructure or inspect the property. Obviously, the lessor should use this right with due consideration for the lessee.
- **Rent review:** most long-term leases now contain provisions for a rent review. This means, in effect, a rent increase. In the case of Shannon there is provision for a review every five years. In other leases the review may occur every three years. The rent review clause should set out the procedures and provision for arbitration if the lessor and lessee cannot agree on a new rent.
- **Unpaid rent:** The lease should set out procedures and consequences if the lessee does not pay rent when due.
- **Other charges and taxes:** the lessee is usually obliged to pay other charges and taxes (e.g., property taxes to the municipality, charges for water and electricity, and possibly a service charge to cover the cost of security and the upkeep of the estate—road sweeping, grass cutting etc). This obligation should be specified in the lease.
- **Laws and regulations:** a good IP is one where all investors behave as good neighbors and obey the law. There should be a clause that obliges the lessee to adhere to laws on planning, the environment, pollution, and factory conditions.
- **New structures or alterations to existing structures:** the lease should provide that the lessee obtain permission from the lessor for alterations to existing structures or the construction of new structures. The lessor should respond positively to reasonable requests.
- **Maintenance of the property:** responsibility for maintaining the property and repairs should be clearly stated. There are three basic options: the lessor is responsible for all repairs; the responsibility is divided (e.g., the lessor responsible for outside repairs and the lessee responsible for repairs inside the building); the lessee is responsible for all repairs. Repairs include normal “wear and tear” to a building. If, for example, a structural crack appeared in a building the lessor would normally be responsible—unless the crack was caused by the lessee’s negligence.
- **Connection to infrastructure services:** There may be a clause dealing with these issues.
- **Pollution, waste and effluent disposal, smoke emissions and environment protection:** Most leases now include clauses on environmental issues. The lessee should comply with regulations on the estate as well as any new regulations or environmental legislation.
- **Insurance:** it is important that the lessee be covered by proper insurance in case of accidents to workers, members of the public, or others visiting the property. The lessee should also be covered against fire or storm damage

- **Firefighting equipment:** the proper firefighting equipment should be on the property. Responsibility for providing this equipment should be clearly stated.
- **Dangerous materials:** proper storage of dangerous materials is important
- **Use of the property:** the lease should state the purpose for which the factory can be used (e.g., industrial production, storage, warehousing).
- **Sublease or transfer of the lease:** there should be a clause stating whether or not the property (or part of it) can be subleased by the lessee. The lease should also cover the issue of the transfer of the lease to another lessee
- **Termination of the lease:** the lease may contain a provision for terminating the lease before the end of the lease period with the agreement of both the lessor and lessee. There may also be provisions for termination at the end of the agreement
- **Lessor's guarantee:** subject to the conditions of the lease the lessee should be able to use the premises without interruption or interference from the lessor

11. ANNEX

Annex 1: Developed Land Lease Contract

This contract is entered on (insert date and place) _____ between (insert name) _____ hereinafter referred to as "LESSOR" Address _____ and (insert name) _____ Address _____ here in after referred to as "LESSEE" to lease developed land of a total area of _____ m² located at _____ house No- _____.

The Lessor and Lessee have entered this lease contract in accordance with the provisions of civil code No. 1679, 1731(1), 2005 and 2975(1).

TERMS: The lessor agrees to lease the residential house to the lessee from _____ to _____ for a period _____ years.

RENT: Under this lease contract the lessor agreed to lease the land to the lessee at a rate of USD _____ per m² per month, including VAT. The lessee has also agreed to rent the land for USD _____ a month including VAT.

PAYMENT: The lessee agrees to pay in advance one year rent of USD _____ including VAT on the effective date of the lease. The lessor also agreed to receive one year payment of USD _____ including VAT. This land rent includes security service, cleaning and landscaping, liquid and solid waste management. The due date of next payment will be on the 1st month of the year.

USE OF OCCUPANCY: The lessee shall use the developed land for intended purposes only.

DELIVERY OF DEVELOPED LAND TITLE DEED: The lessor shall deliver to the lessee the land (site) plan and title certificate upon signing of this lease contract.

UTILITY EXPENSES: The lessee shall pay monthly water, and other utility expenses on time from the date of signing this contract.

OTHER EXPENSES: The lessee shall pay waste water treatment fee, solid waste management fee, greenery management fee, potable water treatment fee and other operation and maintenance fee to RIPDC on time.

OCCUPANCY PERMIT: The lessee shall receive occupancy permit prior to construction activities. The permit also includes construction permit to start shed construction.

OBLIGATION OF LESSOR:

- Deliver occupancy permit, the designated developed land and plan along with title certificate on a timely basis.
- Provide the lessee with all rules and guidelines in relation to using the developed land within the IP park territory
- Facilitate the construction permit process for the lessee

OBLIGATIONS OF THE LESSEE:

- To adhere to all environmental safety rules and regulations in the area while working in the construction operation and decommissioning activities.
- To start construction on the land within six months from the signing of this land lease agreement. Failure to meet this shall result in eviction.
- To handover developed land and built in facilities in good order upon expiry of this land lease.

SUBLEASE: The lessee shall not sublease the developed land to third party without prior approval of the lessor.

EXTENSION OF THE LEASE CONTRACT: Upon expiry of this lease period the contracting parties may agree to extend the lease period for another term.

NOTICE OF TERMINATION: Both contracting parties shall agree under this lease contract to give six months' notice to terminate the lease. The termination shall effect if the construction of shade did not started within six months. If the construction started within six month and not completed, the notice of termination shall be extended for another six months. The termination notice shall be made in writing to the lessee with convincing reason and good cause.

TERMINATION OF THE CONTRACT: This land lease agreement shall be terminated for the following reasons:

- When the land lease contract period expires.
- When the lessee fails to start construction within six months from the date of occupancy permit.
- When the lessee fails to abide by other agreed terms of this lease contract

In this case prorated leased payment for unused period shall be returned to the lessee. Upon termination of the developed land lease contract, the lessee shall return the leased land to the lessor within six months period of time from the date of termination of the contract.

EVICTIION: The lessor shall evict the lessee if the lessee persistently breaches the terms and condition of this agreement

EVICTIION PROCESS: The lessor shall evict the lessee in orderly manner using legal enforcement body when the lessee fails to abide by agreed terms of this lease contract.

FORCE MAJEURE: In case of force majeure beyond the capacity of the contracting parties as per articles of 1792(1) and 1793, the contract is terminated and the parties are reinstated.

REMEDY FOR DISPUTE: If dispute arises under this lease contract parties have agreed to resolve it amicably. If disputes cannot be resolved amicably any party may take the matter to court.

APPLICABLE LAW: This lease contract shall be governed by the relevant law of the country where this agreement is signed.

IN WITNESS WHEREOF, the parties have duly signed on_____

For or on behalf of the lessor

for or on behalf of the lessee



Parking & Traffic Services Management in IAIP and RTCs



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1. SCOPE

This manual specifies requirements for a vehicle parking management (VPM) intended for vehicle parking services who are going to be served in and at the IAIP/RTCs and Traffic control and management.

This manual have **two parts**: **Part one**- vehicle parking management and **Part two**-Traffic control and management

Part one- is applicable to the following functions in IAIP/RTCs vehicle parking services:-

- Management of parking areas
- Payment of parking areas
- parking maintenance management
- parking security system

This manual is applicable to parking that are established based on the requirements for **surface parking** stated in Ethiopian standards agency and Ethiopian Road Authority.

Part two- is applicable to Traffic control and management services

2. TERMS AND DEFINITIONS

Parking management: - Strategies, policies and programs that encourage more efficient and effective use of existing parking facilities, improving the quality of service provided to parking facility users and parking facility design.

Real property: - Plot of land used for parking together with any non-moveable property over it and use rights associated with it.

Preventive maintenance: - Pre activity performed to avoid failures, unnecessary operational loss and safety violations.

Parking lot management: - management that is responsible to lead, administer and supervise functions, processes, resources and performance of the parking service

Parking: - The act of stopping a vehicle and leaving it unoccupied

Traffic accidents: - Significant causes of injuries and fatalities

Traffic safety: - Prevention and control of traffic related injuries and fatalities

Road safety: - transport safety practices across all aspects of operations with the goal of preventing traffic accidents and minimizing injuries

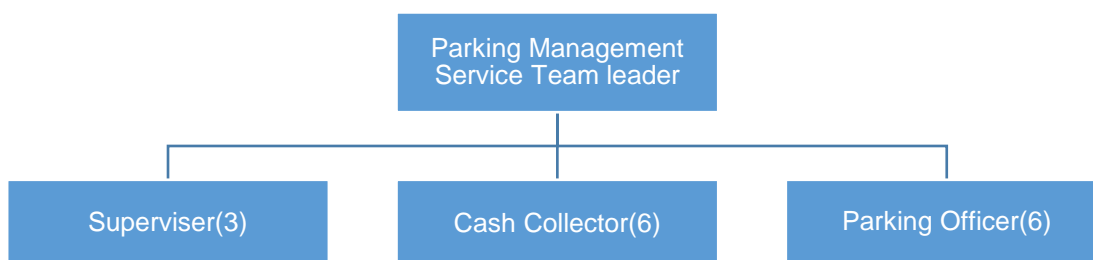
3. GENERAL REQUIREMENTS

3.1. Services provision management options

Parking & traffic services management can have different management options. These sector has a direct relation with safety and security services in the IAIP/RTCs. Additionally, Parking management can generate income and it is not as such difficult for management by in house capacity while Traffic management need policing services providers from security chain of command. Therefore, it is advised that for parking management service provision can be handled under IAIP/RTCs management and for policing services can be availed by public police and traffic police.

3.2. Proposed organizational structure

The Parking and traffic management shall have organizational structure, functional description, and human resource administration to put this manual in action. Therefore, the following organogram is recommended:-



Qualification of personnel Parking Service Team Leader:

Qualification: Minimum of first degree in management or other related field related experience in the sector is preferred

Parking supervisor:

Qualification: Minimum of Diploma in automotive technology from recognized institution or other related field and related sector specific experience is preferred.

Cashier:

Qualification: Minimum of diploma in accounting or other related field from recognized institution Parking Officer:

Qualification: Graduate from in automotive or other related field and experience in the sector is preferred

3.3. Parking Services Management

3.3.1. Procedural requirements

- The Parking management shall be planned based on estimated number of cars to be served
- The Parking management shall implement health and safety procedures, practices and check lists to keep the working environment safe.
- The parking area shall be accessible for all
- Parking management shall provide and maintain parking facilities
- Parking facilities, utilization rates, pricing, and time restrictions shall be listed and posted for all customers
- Range of payment options shall be provided for users, which may include in-cash, parking cards, mobile apps or any future means of payment
- Pricing based on season, time of day, location, etc., shall be implemented to enhance utilization of the parking service. Parking at sensitive area, Night and rush hours payment shall differ from other times.
- Parking lots shall have 24/7 working hours so that users are able to access the parking facilities they require.
- Parking facilities (especially large lots) should have marked walkways that protect pedestrians from vehicle traffic and conveniently connect to sidewalks.
- Parking capacity plan and pricing should accommodate uncertainty and change. Parking occupancy status shall be notified before any entrance to the parking area
- The Parking leadership shall;
 - determine the processes needed for the provision of parking services
 - determine the sequence and interaction of these processes,
 - determine criteria and methods needed to ensure that both the operation and control of these processes are effective,
 - Ensure the availability of resources and information necessary to support the operation and monitoring of these processes,
 - Monitor, measure where applicable and analyze these processes, and
 - Implement actions necessary to achieve planned results and continual improvement of these processes.
 - Update and implement parking management procedures and manuals for each processes identified in the organization.
 - Determine, provide and maintain the infrastructure necessary for the operation of its processes and to achieve conformity of services.
 - Determine, provide and maintain the environment necessary for the operation of its processes and to achieve conformity of services. Shedding, labeling, lightning and security are some of the essential requirement to manage parking area.
 - Determine and provide the resources needed to ensure valid and reliable results when monitoring or measuring is used to verify the conformity of products and services to requirements. Parking facilities shall be certified by road authority and traffic polices to provide the services.
- Parking shall be managed so as to keep all vehicles and equipment in safe, reliable, and operational condition for easier management of resources.
- Parking management shall have trained and accountable management staff, trainers, and other skilled personnel for specific roles.

- Parking management shall have induction mechanism and training to the employees that perform professional task.
- The Parking management shall have a provision for managing over all security of the parking control equipment. Surveillance camera and central control system shall be availed
- Parking shall have auto, user-friendly and safe management specially card payment mechanism which shall be integral part of access control system.
- Parking management equipment shall provide easily operable, humanization and securitized management in parking lots.
- Parking management shall guide drivers to complete payment process interactively by LED flashing light and or any other mechanism.
- Parking management should be assisted by detection mechanisms whenever vehicles enter and exit area.
- Parking management should allow central management and control over Multi parking systems

4. MAINTENANCE MANAGEMENT

4.1. General requirement

- The parking facility shall have maintenance management system with the help of IAIP/RTCs technical departments who can do engineering estimation and maintain.
- The maintenance management system shall ensure the provision made to record and report faults on parking control equipment.
- The maintenance management system shall provide the identification, assessment and action on reported faults.
- The maintenance management system shall include at least preventive, breakdown and overhauling maintenance manuals for the parking facilities that describe the tasks to be completed
- Documented evidence shall be maintained to demonstrate the effective operation of the maintenance management activities
- Preventive maintenance shall follow the recommended procedures of manufacturer's manual.
- The maintenance management system shall have preventive maintenance schedule for the parking facilities according to manufacturer manual.
- Preventive maintenance shall be performed, and documented according to the schedule.
- specific guidance and instructions for breakdown maintenance (troubleshooting, removal, repair, and replacement) of components shall be applied/performed according to manufacturer's manual
- for any breakdown, the parking management shall take action immediately to resolve the problem either by operation and maintenance costing mechanisms

4.2. Parking management control

- Parking management equipment like surveillance camera, access gate, and card payment shall be available and robust, user-friendly, easily maintainable and up-gradable.
- Parking management equipment shall integrated and functional activities being done in the parking.
- Parking management software shall be developed and operate on its own when is offline.
- Parking workers shall be trained and adequate to control all parking service provision and payment collection

5. ENVIRONMENTAL MANAGEMENT

- The Parking management shall consider all necessary conditions to protect the parking and its environment from any degradation in compliance with environmental regulation of the country.
- The Parking shall have a requirement to ensure the noise, dust and exhaust emissions emitted from the parking within permissible limits of the regulations of the country.
- The Parking management shall ensure a provision of appropriate storage, treatment and disposal of Solid and liquid wastes to the compliance of the regulations of the country.
- The Parking management shall ensure a provision of appropriate Safety measures for Fire hazard/ Explosion Risks to the compliance of the regulations of the country.

6. OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

- The Parking management system shall implement a mechanism that ensures the active participation of each employee is mandatory in establishing a safe work environment in accordance with occupational health and safety requirements of the IAIP/RTC.
- The Parking management system shall keep the employees aware of required safety and health procedures and the employees shall be expected to comply with the prescribed guidelines and procedures.
- The Parking management system shall implement a mechanism to enforce the employees to wear all protective equipment at the proper times and in the proper environments.
- The Parking management system shall develop a health and safety management policy to control risks to the health and safety of staff, passengers and the general public. It shall be signed off by senior management and displayed in a prominent position in the parking premises.
- The Parking and traffic management supervisor shall take overall responsibility for development, implementation and monitoring of the organization's safety management.
- Managers/supervisors shall take the responsibility for ensuring safety policies and procedures are effectively implemented in their areas of control, and to manage staff and hold them accountable for their specific responsibilities.
- Employees shall take the responsibility for effective implementation of safety policies and procedures to hold them accountable for their specific responsibilities.
- The Parking management shall have effective incident management procedures to ensure that all critical incidents are managed appropriately and are reported to the relevant authorities
- Vehicle entrance shall comply with all HACCP requirements (annex 1)

7. PARKING ASSET MANAGEMENT

- Parking management shall have parking assets management system
- The parking asset management system shall have a mechanism to record all the assets of the parking at least by using property control number, a serial number, or the identification number identifies the equipment.
- The parking asset management system shall have a control mechanism to prevent loss, damage, or theft of property.
- The parking asset management system shall ensure effective utilization of the parking facilities.
- All damages on the parking facility shall be maintained either by the one who damage or recovered costs from property evaluation.
- Maintenance services can be outsourced for long term maintenance.

8. PARKING CUSTOMER HANDLING

8.1. Customers' handling mechanism

- The parking management system shall have proper customers handling mechanism including:
 - Providing information relating to services;
 - Handling enquiries, contracts or orders, including changes;
 - Obtaining customer feedback relating to products and services, including customer complaints;
 - Handling or controlling customer property;

8.2. Customer compliant handling

- The Parking shall develop and implement a documented compliant handling procedure
- Customer service and enforcement practices shall accommodate fairness and equity, while incenting compliance and early payment.
- The Parking management shall ensure proper customer satisfaction requirements of the Parking and this manual

1. GENERAL REQUIREMENTS

1.1. Industrial Vehicle Driving and Site Traffic safety

Poorly trained or inexperienced industrial vehicle drivers have increased risk of accident with other vehicles, pedestrians, and equipment. Industrial vehicles and delivery vehicles, as well as private vehicles on-site, also represent potential collision scenarios. Industrial vehicle driving and site traffic safety practices include:

- Training and licensing industrial vehicle operators in the safe operation of specialized vehicles such as forklifts, including safe loading/unloading, load limits
- Ensuring drivers undergo medical surveillance
- Ensuring moving equipment with restricted rear visibility is outfitted with audible back-up alarms
- Establishing rights-of-way, site speed limits, vehicle inspection requirements, operating rules and procedures (e.g. prohibiting operation of forklifts with forks in down position), and control of traffic patterns or direction
- Restricting the circulation of delivery and private vehicles to defined routes and areas, giving preference to 'one-way' circulation, where appropriate.

1.2. Traffic accident control, traffic facilities provision and maintenance

Traffic accidents have become one of the most significant causes of injuries and fatalities among members of the public worldwide. Traffic safety should be promoted by all IAIP/RTCs personnel during displacement to and from the workplace, and during operation of IAIP/RTCs equipment on private or public roads. Prevention and control of traffic related injuries and fatalities should include the adoption of safety measures that are protective of IAIP/RTCs workers and of road users, including those who are most vulnerable to road traffic accidents. Road safety initiatives proportional to the scope and nature of IAIP/RTCs activities should include:

- Adoption of best transport safety practices across all aspects of IAIP/RTCs operations with the goal of preventing traffic accidents and minimizing injuries suffered by IAIP/RTCs personnel and the public. Measures shall include:
 - Emphasizing safety aspects among drivers
 - Improving driving skills and requiring licensing of drivers
 - Adopting limits for trip duration and arranging driver rosters to avoid overtiredness
 - Avoiding dangerous routes and times of day to reduce the risk of accidents
 - Use of speed control devices (governors) on trucks, and remote monitoring of driver actions
- Regular maintenance of vehicles and use of manufacturer approved parts to minimize potentially serious accidents caused by equipment malfunction or premature failure.
- Where the IAIP/RTCs may contribute to a significant increase in traffic along existing roads, or where road transport is a significant component of an IAIP/RTCs, recommended measures include:
 - Minimizing pedestrian interaction with operational vehicles

- Collaboration with local communities and responsible authorities to improve signage, visibility and overall safety of roads, particularly along stretches located near schools or other locations where children may be present. Collaborating with local communities on education about traffic and pedestrian safety (e.g. school education campaigns)
- Coordination with emergency responders to ensure that appropriate first aid is provided in the event of accidents at facility level and Park level too.
- Using locally sourced materials, whenever possible, to minimize transport distances. Arranging worker bus transport to minimizing external traffic
- Employing safe traffic control measures, including road signs and flag persons to warn of dangerous conditions
- Avoid any obstacles on pedestrians' and walk ways
- Safely Transport of Hazardous Materials

2. TRAFFIC LEGAL FRAMEWORKS ENFORCEMENT

Since police and traffic polices station has been established, all traffic control activities shall be handled by applicable local and international laws. IAIP/RTC traffic supervisor shall report any illegal actions to traffic police to take measures based on traffic laws. Traffic police shall have its own control mechanisms to enforce the existing laws in the park. Penalty for traffic laws violation will be handled by traffic police while property damage compensation and rehabilitation shall be handled by IAIP/RTCs.

3. COST RECOVERY MECHANISMS FOR BOTH PARKING AND TRAFFIC POLICE SERVICE MANAGEMENT

The parking lot user shall pay for the services they are using. Payment term shall be hourly waiting time of the users and from access control fees at the gates. If the user damage any property, he/she shall compensate all engineering damage and rehabilitation costs.

Access control and waiting time payment can be:-

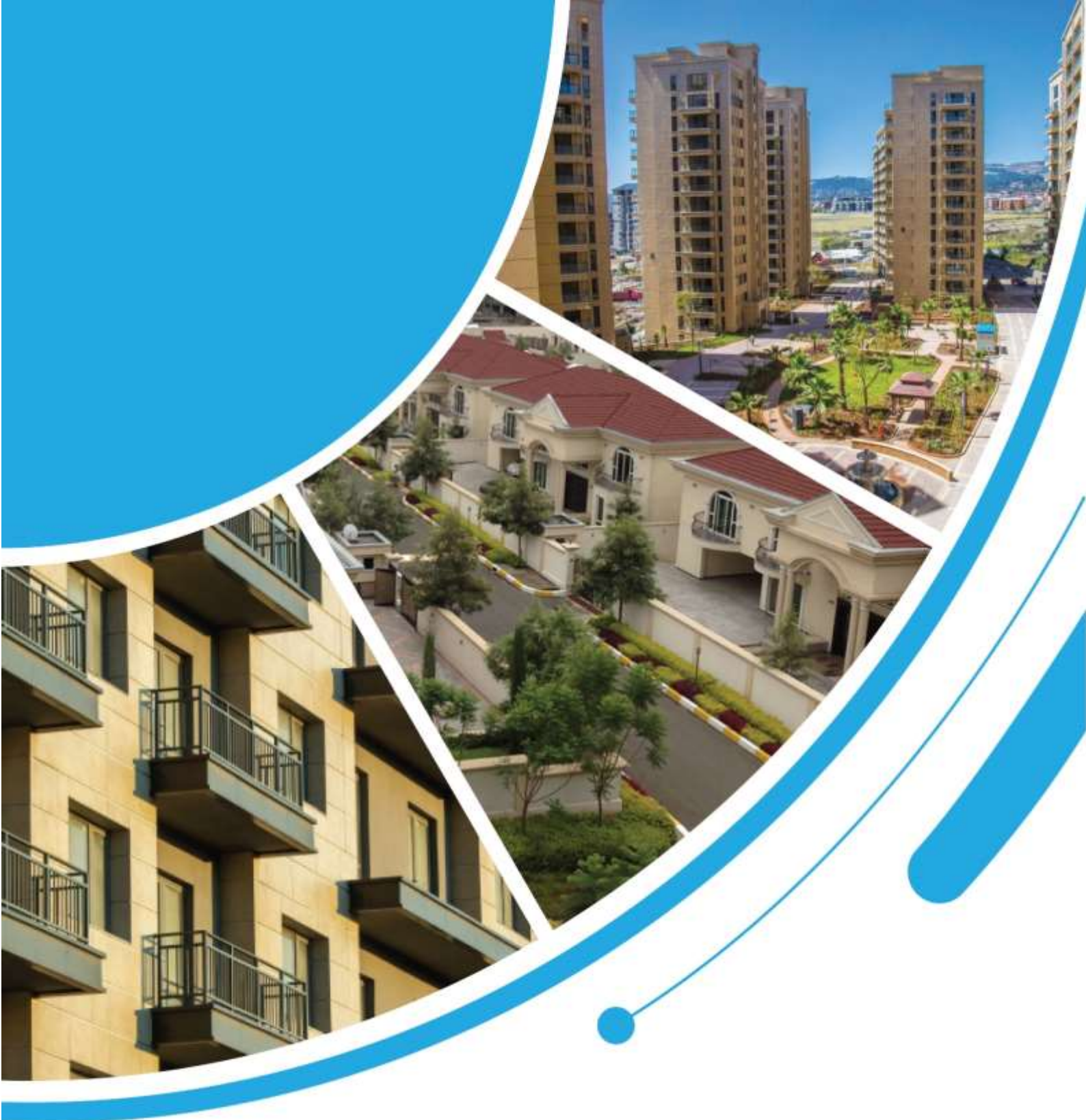
S.No	Type of cars	Entrance payment	hourly waiting time payment
1.	Cars below 12 passengers		
2.	Cars 13-24 passengers		
3.	Cars above 24 passengers		
4.	truck which have caring capacity less than 10 ton		
5.	truck which have caring capacity 10-20 ton		
6.	truck which have caring capacity 20-30 ton		
7.	truck which have caring capacity 30-40 ton		
8.	truck which have caring capacity above 40 ton		

In the other hand, except police station and traffic management facilities to be availed by IAIP/RTCs; salary of polices for traffic management will be covered by nearby police office. Since, these two services provision in IAIP/RTCs are horizontally linked; synergy plan and organizational chain of command to recover assets damage cost will be applied. Traffic control penalties will not be considered as income for IAIP/RTCs.

ANNEXES

Annex 1:- HACCP health and safety requirements for parking entrance

Annex 2:- IFC- GENERAL EHS GUIDELINES for Environmental, Health, and Safety (EHS)



Residential Buildings & Houses Administration and Management in IAIP



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DEFINITION

Tenant is the one who has the occupation or temporary possession of a residential building house through from RIPDC.

Move In is taking possession of residential building and house of RIPDC through rent.

Move Out is leaving the residential building and house of RIPDC and go to live somewhere else.

Tenant Hand Book: is a document annexed to the lease agreement to help clarify and explain the laws regarding the rights and obligations of RIPDC and tenants. It is used as a guide and is not intended as a final authority or source of legal advice.

Eviction is the act of expelling tenant from the residential building and house of RIPDC; expulsion.

Breach of Lease is failure to comply with any of the terms of the rental agreement by either party.

1. INTRODUCTION

The RIPDC and management/operator of the IAIP/RTC has completed the construction of IAIP/RTCs and are on the verge of starting operation. Operational Guideline manuals that bring in both international and national best management practices are highly demanded at this stage of development of the IAIP/RTCs to ensure that envisioned industrial development is sustainable and inclusive.

This Operation Manual is hence prepared to the RIPDC and management and operator of IAIP for the management and administration of residential building and houses constructed at IAIP by RIPDC so as to avail quality, safe, and comfortable residential building and houses at competitive price to the senior management of the Integrated Agro Industrial Park Enterprises. It also helps RIPDC to optimize the service potentials of buildings and minimizing their whole-of-life time cost and ensure usable conditions of the infrastructures at all times.

2. RESIDENTIAL BUILDING AND HOUSES ADMINISTRATION AND MANAGEMENT SERVICE

The residential building and houses administration and management service is divided under two-broad scope of work namely; the administration of the building asset and performing maintenance activities. The scope of work under building administration is more of management functions, like managing tenant relationship, managing operational activities, inspection, record keeping, maintenance planning, maintenance supervision, collecting house rent, performing minor maintenance and the act of approving that the buildings are suitable for the intended use. Some of the detailed scope of work that fall under building administration are:

- Establishing background data on physical parameters of the building assets
- Recording, planning and controlling of maintenance activities
- Reporting of all the building reactive, planned and cyclic maintenance work activities
- Tenant file maintenance and record keeping
- Selecting, appointing and monitoring service providers
- Building operational activities
 - **Pest control** activities
 - **Security service** that includes access control at building entrances and vehicle gates to ensure that employees and visitors display proper passes or identification before entering the facility, patrolling to ensure a safe and secure environment, loss and waste prevention audit, logging the activity and the duties carried out during each shift in the log book, incident reporting and conducting prescheduled security review.
 - **Cleaning service** that includes entrance stairway, corridor, lobbies, offices of building administration and support staff, external part of the building, and outdoor and grounds,
 - **Garbage Disposal** that includes segregating at source, collection and disposal at approved site,
 - **Fire safety service** which includes regular inspections of fire extinguishers, recharging as needed, and recording of all maintenance work carried out,
 - Managing the tenant and owner relationship
 - **Rent setting** by evaluating the property and determine an accurate rental rate by gathering data on the rental rates in the area
 - **Tenant Screening and Selection** by perform a background check of the tenant such as name, employment history, rental history, etc. (**see Annex 2 for the rental application form**)
 - **Tenant Move in** by drawing leasing agreement (**see annex 3 for lease agreement form**), performing detailed move in inspection (**see annex 4 for Move In and Out Inspection Form**), and collecting first month's rent and security deposit
 - **Rent and utility bill collection** which includes receiving rent and water bill, solid waste, sewerage, greenery, security, and cleaning payments, tracking late payment, sending out pay or quit notices and enforcing late fees

- **Managing eviction process** which comprises filing relevant paperwork for legal action, represent the park in the court, and coordinating with law enforcement to remove tenant and tenants' possessions from unit
- **Perform periodic inspections** (Inside and outside) on a predefined schedule looking for repair needs, safety hazards, code violations, lease violations, etc. and report to the concerned authority.
- **Financial service** such as accounting of the building service, payments on behalf of the park, documentation of expenses via invoices and receipts, and maintaining all historical records;
- **Tenant move out** which includes inspection of unit and compare with move in inspection, provide tenant with a copy as well as estimated damages, return the balance of the security deposit to the tenant, clean unit and perform and needed repairs or upgrades, re-key the locks and put the property back on the market for rent;

The scope of work in the maintenance category is having more of technical functions like mobilization of the necessary labor, material & machinery for carrying out actual maintenance operations for rehabilitating the buildings which are identified to be none or less suitable for the intended use.

3. SELECTION OF MANAGEMENT MODEL AND ORGANIZATION STRUCTURE

3.1. Selection of Management Model

The scope of service involved in residential building management and administration as described in section two of this manual are broadly divided into the administration and maintenance from the management point of view.

There are three management models for the residential building and houses administration and management service. These are:

- Complete outsourcing to facility management service providers
- In-house management of the complete function of residential building and houses administration and outsourcing the maintenance service
- Outsourcing part of the residential building and houses administration service and maintenance service:
 - To be managed by inhouse are:
 - managing tenant relationship
 - minor and emergency maintenance
 - control of outsourced services
 - To be outsourced
 - pest control,
 - fire service,
 - cleaning and waste disposal service,
 - Greenery and
 - security service

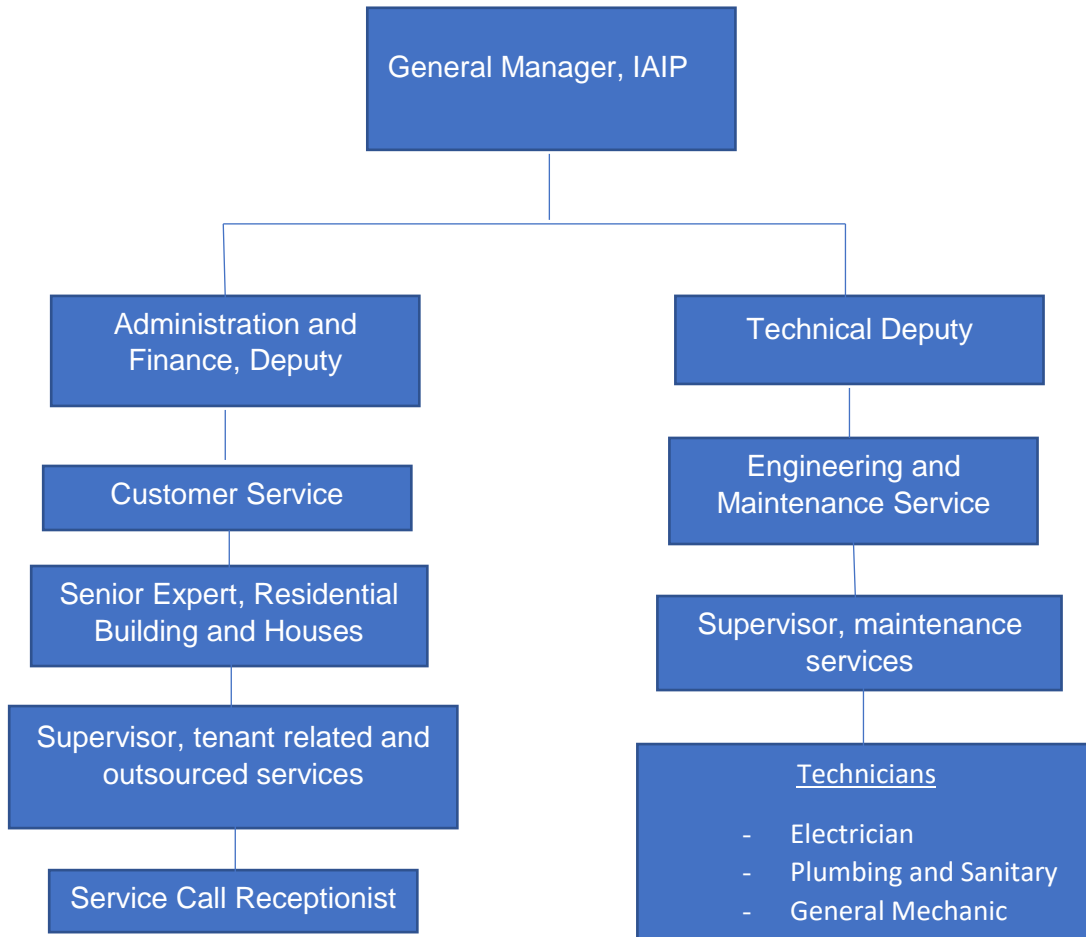
The third management model which is managing the tenant relationship and minor and emergency maintenance service by inhouse professionals and outsourcing part of the administration works such as pest control, fire service, cleaning and waste disposal service, and security service and maintenance service is recommended. This is the cost-effective management model and enables the tenant to get quality service since there are competent service providers in those area planned to be outsourced as well as their controlling mechanism is well established. Even the management of the services to be outsourced such as pest control, fire services, cleaning and waste disposal, and security service shall be carried out by the tenant association. Hence, the focus area of management of IAIP through the expert at customer service department shall be management of tenant relationship, minor and emergency maintenance services calls made by tenants, scheduled inspection and controlling the outsourced maintenance service.

3.2. Organization Structure for the Selected Option

Organizational structure determines how the roles, power and responsibilities are assigned, controlled, coordinated, and how information flows between the different levels of management. Hence, the development of organization structure for the residential building and houses management and administration with the selected management models needs definition of all activities of the service, defining the services to be outsourced and managed inhouse, regrouping and arranging activities into a manageable functional unit and organizing

them by clearly defining the authorities and responsibilities of each functional unit. Accordingly, the organization structure of the inhouse management team and minimum qualification and roles and responsibilities for effective delivering of residential building and administration service is given in Figure 3.1 and Annex 5.

Figure 3.1: Organization Structure of Residential Building Management and Administration



4. RESIDENTIAL BUILDING MANAGEMENT AND ADMINISTRATION PROCEDURE

4.1. Application

The prospective tenant shall fill out the application form which contain profile of tenant, employment history, income, rental history etc. and submit to the property manager.

4.2. Verification and Accepting

The residential building senior expert or its representative shall perform a background check to verify identity, income, rental history, credit history, etc., evaluate the information given by the tenant and decide for accepting the tenant. Inform tenants who were turned down. When you make your choice, create a file for each new tenant with their lease application, verification of residency application and a signed copy of the lease. Tenant file also includes the following:

- Any lease addendum or rent amendments.
- Unit inspection notices and unit maintenance records
- Incident reports, tenant complaints, memos and letters from management
- Rent Notices and all legal correspondence and documents

4.3. Inspection

New tenants have the right to expect their residential building and house to be clean and in good condition. To protect IAIP and the tenants, the tenant relation supervisor shall walk through the residential building and house with the tenant and complete the Move In Inspection Form before they move in. Use the same form to do another walk-through to record any damage when the tenant move out. As part of the inspection, test all sockets, lighting, faucets, showers and toilets, and fix anything that isn't working properly.

4.4. Set Rent

RIPDC will study the local rent market for residential houses and constantly compare its residential building and house to bulk of similar rentals in the area to set price that is fair and competitive. Pricing that follows the current market trend is more likely to have prospective tenants within one month.

4.5. Signing Rental Agreement

A Rental Agreement that is the written agreement that defines the rights and responsibilities of RIPDC and a tenant shall be signed between RIPDC and selected tenant.

4.6. Security Deposit

A security deposit is any money, including payment of the last month's rent, taken by RIPDC, in advance of the time it is due, to protect RIPDC against damage caused by tenants, guests, or invitees (normal wear and tear accepted), non-payment of rent, and/or damages incurred by RIPDC if the tenant breaches the lease.

The total amount of the security deposit cannot exceed the equivalent of three months' rent.

4.7. Residency Certificate

The new tenant shall be given with all the necessary keys, a certificate of residency to prevent unauthorized entry to residence block, and a Tenant Hand Book (**See Annex 6** of this manual) to let them know their rights and responsibilities, and how to take care of their new home. Accordingly, the IAIP management/operator should:

- In view of the goals to be achieved by granting residence permit, determines those persons that are eligible to live and reside in the park area designated for residential purpose;
- Ensure that those eligible persons (or their employers) hold legal and valid investment or work permit before the issuance of certificate of residence;
- Issue park residence certificate which should accompany the terms and conditions that should be complied during the period of residence (tenant hand book)
- Revoke park residency certificate when the terms and conditions are violated.

4.8. Key Control

Securing residential building and house key is extremely important. The residential building and houses senior expert is required to:

- Ensure that copies of tenants' unit key and building keys are kept secure and coded in a locked key cabinet at all times
- Never leave key boxes open and unattended
- Create a standard key code and ensure that key tags for tenants. Units and secure areas do not state the unit number other confidential information.
- Only give keys to authorized personnel

4.9. Rent Collection and Adjustment

RIPDC shall collect rent through wire transfer, online or setup automatic monthly bank transfer. RIPDC shall expect rent to be paid on the first of the month. From there, a grace period may extend through the 5th of the month. Any longer than that will be late payment and subject to penalty and subsequently subject to eviction after 10th of the month. The following guidelines shall be used in collecting rent:

- Only the designated finance officer shall collect rent and this has to be communicated to tenants
- Method of rent collection has to be defined in the rental agreement to be entered between tenant and RIPDC
- Copy of the deposit sheet and all rent payment documents has to be filed properly
- The rental agreement should establish the date on which the rent payment is due each month
- The residential building and houses senior expert should send a first notice to tenants who have not paid their rent in full by the date defined in the rental agreement (by the end of the 5th day of the month)

Increasing rent is all about monitoring the local market data on a regular basis. To keep your rates competitive in the market, you should review rates at least once a year. If lease renewal or vacancies happen before the one-year mark, it is still a good idea to survey your pricing against the market.

4.10. Maintenance

Maintenance with respect to residential buildings and houses includes reactive, planned and cyclic maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions. Reactive Maintenance in turn includes emergency, urgent, and routine maintenances. The procedure of handling reactive maintenance is given hereunder.

4.10.1. Maintenance Requests

RIPDC shall receive maintenance request through e mail, text message, and call center receptionist, using Maintenance Request Form (See **Annex 7**).

The following procedures shall be followed for treating service call maintenance.

1) Service call reception & classification

The service call receptionist will receive service call requests during regular working hours or (off regular working hours if necessary) and classify each call based on the definitions provided below. A requested maintenance work shall be transmitted to the concerned maintenance crew of RIPDC. A Service Call Work Authorization Form (**refer Annex 9**) containing the time and date of transmission will be transmitted to the maintenance personnel assigned. Calls shall be considered received by the maintenance personnel at the time and date of this transmission. If the call is classified as emergency, service call receptionist will notify the concerned maintenance personnel by phone that an emergency call has been received and that a Service Call Work Authorization is being transmitted. Hence service call receptionist has to be conversant with the building maintenance works.

Service calls are classified as Emergency, Urgent and Routine service calls depending to the urgency of the maintenance work because of their nature as explained below:

Emergency calls: Service calls will be classified as emergency at the discretion of the service call receptionist. Generally, emergency calls consist of correcting failures that constitute an immediate danger to personnel (fatality), high risk to damage of property, or threaten to disrupt activity operations, e.g. water on electrics, major water leak resulting in flood and immediate danger to the structure, services or fixtures/fittings, power loss, smell of burning (electrical), major structural damage; such as ceiling collapse, main drain blockage, lighting fault on staircases, landings and areas likely to be a Health and Safety issue etc.

Urgent calls: Generally, urgent calls consist of providing services or correcting failures which do not immediately threaten personnel, property, but will soon inconvenience and/or affect the health or wellbeing of personnel, lead to property damage, or lead to disruptions in operations. Urgent Maintenance Requests warrant immediate response to mitigate the situation before conditions escalate or worsen. Calls will also be classified as urgent when the service or failure has upper level or command management attention e.g., a burst water service, a blocked or broken lavatory system, roof leak, unsafe electric fittings, loss of drinking water, partial loss of power to room or area, blocked drains (excluding main drainage), fault on external doors and windows that may compromise security, faults on internal doors that may compromise security.

Routine Calls: Service calls will be classified as routine when the work does not qualify as an emergency or urgent call. Normal maintenance or service item that does not pose an immediate risk to facilities, systems, equipment or components e.g., broken WC seat, TV reception problems, replace shower hose or head, minor joinery repairs, window faults not compromising security, replace sanitary fittings, etc.

Hence the service call receptionist should have the required skill to understand the requester's information given through telephone and based on this information, classify each service call as per the definition provided above.

2) Response to Service calls

The maintenance crew of RIPDC shall have procedures for receipt of service call work authorizations from the service call receptionist during regular working hours, and receiving and responding to emergency and urgent service within the specified response time seven days a week, including weekends and holidays. The response time by the maintenance crew shall vary depending on the type of service calls; Emergency, Urgent or Routine calls.

3) Completed calls

Within one working day after completion of each service call, Add the following information to the service call work authorization form and return to the call center receptionist:

- Description of work actually completed.
- Brief description of material and parts used, including quantities.
- Date and time work began.
- Date and time work were completed.
- Hours of labor (by technician) expended.
- Signature or initials of the maintenance personnel performing the work (or supervisor), indicating the work has been completed.

Planned maintenance – the actions performed to retain an item or asset in its original condition as far as practicable by providing systematic inspection, detection and prevention of incipient failure. Preventive maintenance is normally programmed

Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, etc. This work generally falls below the capital threshold.

4.10.2. General Requirement and Procedures for Preventive and Cyclic Work

Preventive maintenance work includes preventive maintenance inspections and fixing it timely when failure or potential failure is observed. This activity shall be performed by maintenance crew. The maintenance crew shall maintain sufficient parts, materials, and equipment on hand to perform all recurring work as specified. Lack of availability of parts, material, or equipment will not relieve the service provider from the requirement to complete work within the time limits and quality standards stated herein. Preventive works are relatively small maintenance and correction work that is being done based on the results of periodic inspection (including inspection) in the premise.

If the in-house maintenance crew can't solve the problem themselves, they should forward the Maintenance Request Form to the residential building and houses senior expert, who can either issue a Work Order to a contractor or (for large jobs) get three bids and issue a Purchase Order to the winning contractor.

Contractors bid a fixed unit price to perform one occurrence or a given quantity of each contract line item. Payment for this type of work is calculated by multiplying the unit price times the number of units performed. Because each order for indefinite quantity work is paid for separately, each task order must be inspected and accepted as being satisfactorily completed before payment can be made. Two distinct categories of indefinite quantity work can be included in this system, namely:

- **Unit Priced Tasks:** Bid prices for unit priced tasks include all labor, material, and equipment for performing a given quantity of work, such as painting one square meter of gypsum wallboard or replacing one square meter of floor tile. The unit prices bid are multiplied by estimated quantities of units to be ordered during the contract term, but only for the purpose of bid evaluation; payment is made only for work as ordered and satisfactorily completed.
- **Unit Priced Labor:** This type of indefinite quantity work, which is also referred to as "level of effort work", should be used only in connection with maintenance, repair, and alteration of facilities, and then only when such work cannot be identified in advance in sufficient detail to be included in the unit priced tasks portions of the contract. The labor hour unit prices bid includes all costs to perform the work required, except for material and equipment related costs. The Contractor is reimbursed for the direct cost of materials and equipment, plus a mark-up (fixed burden rate) to allow for material handling costs.

4.11. Evictions Process and Enforcement

The residential building and housing senior expert should be committed to provide quality housing service to all tenants without any discrimination. However, when the effort of the senior expert fails and tenant repeatedly violates the terms of tenancy, the management of the park should promptly exercise its legal rights up to and including termination of tenancy. Only the manager of the park should have the authority to authorize legal action. Evictions process starts when the tenant fails to pay rent or breaks one or more of the terms of a rental agreement or other reasons such as illegal sublet, non-primary residence, illegal use, or expiration of lease where no renewal is mandated by law. The eviction processes are:

4.11.1. Written Quit Notice

The tenant shall be issued one of the three types of quit notices namely; cure or quit, pay or quit, and an unconditional quit depending on the tenant violation. These quit notices are described as follows.

- **A written cure or Quit notice** shall be given when a tenant violates terms and conditions within the rental agreement.
- **A written pay rent or quit notice** shall be given when a tenant failed to pay rent for one month or more months. Although the standard grace period is 3-5 days, this notice allows you to set a certain date that rent is expected, or the tenant must leave the property.

- **A written an unconditional quit-notice** should be used if there is proof of the resident has broken the rental agreement many times, has failed to pay rent for many months, damages the property, or is participating in illegal activity on the property. This notice removes the chance of rectifying the situation or allowing grace period and is ultimately asking the tenant to vacate the property by a set date.

The written notice must be delivered in person or left in clear view to be legitimate. Three days after notice is given or oral demand for the rent or cure is made, RIPDC will file a non-payment or break of rental agreement proceeding at Court.

4.11.2. Court

After a quit notice or written notice is issued, the tenant has a set period to solve the problem or vacate the property. If the tenant fails to rectify the situation (or move out), you can then take the situation to the Court. By taking the situation to the court, you are filling a property owner-tenant complaint to request possession of your property as well as payment for missed rent or damages.

4.11.3. Vacating the Property

If all goes well and you win re-possession of your property, you are now able to enforce the possession and give the tenant a set amount of time to vacate the property. If the tenant continues to occupy the property, a law enforcement officer can and will present the resident with an order for possession. This order creates an understanding that if the tenant fails to vacate, law enforcement officers will return to do so forcibly.

4.12. Move Out Inspection

A move-out inspection will be performed by the supervisor of outsourced service and tenant relation of RIPDC. The tenant has the right to be present at the time of inspection to determine if any damage has been done to the property. The tenant needs to notify RIPDC to its address fifteen (15) days prior to the tenant's date of moving, if it wants to be present for this inspection. The notice must contain the tenant's intention to move, date of moving, and new address. Upon receipt of this notice, RIPDC shall notify the tenant in writing by its address of the time and date when the property will be inspected. The inspection date must occur within five days before or five days after the date of moving as designated in the tenant's notice.

The property must be left vacant and clean. If the tenant is responsible for payment of the final water bill as well as of any other utilities, and they are not paid, payment will be deducted from the security deposit.

The tenant is required to leave the property in clean condition; particular attention should be paid to kitchen appliances and bathrooms, and all burned-out light bulbs should be replaced. The tenant should not spackle walls to fill nail or screw holes or paint walls or trim. The tenant should arrange for the removal of all trash from the property.

Annex 1: Review of Legal Requirement

The civil code, specifically Title XVIII chapter 2 section 2 (Articles 2945-74), which deals with residential agreement remains to be the principal law regarding renting residential buildings/houses. The rules apply to various types of housing units; furnished or unfurnished houses, a flat, a room or some other building units, or a part of a building. The resident building and houses of the RIAIP are thus covered in this law.

The position of the Ethiopian law on the major components of residential building and houses administration and management comprising lease term and renewal, rent increment, the grounds and process of termination and eviction has to be assessed and compared with the laws of some jurisdictions with better experience are reviewed to draw lessons to be used for the development of this manual.

1.1. Lease Term

According to the Ethiopian Law duration and choice of the type of lease (determinate or indeterminate) are left for the parties to determine in their lease agreement. In other words, the law does not prescribe a mandatory minimum lease term.

Unlike Ethiopian law, tenancy laws in many jurisdictions provide mandatory minimum lease terms. For instance, in the UK, the minimum duration is six months. In Ghana, the minimum duration is one year. In Some countries like in the republic of Ireland it goes to six years. A minimum lease period of one year is adopted in this manual.

1.2. Rental Agreement Renewal

The Ethiopian Civil Code does not have any special rule or provision on lease renewal. Hence, an automatic lease renewal right or tenancies signed for indefinite periods is adopted in this manual.

1.3. Rent Adjustment

When rent is increased frequently or by a higher percentage, it makes the building/house unaffordable and forces the lessee to live in constant treat of being evicted due to lack of capacity to pay. The pertinent provision of Ethiopian Residential lease law on rent setting is Art.2950. Art. 2950(1) states:” the amount of the rent shall be fixed freely by agreement between parties.” The provision does not make any distinction regarding rent setting for the initial lease, increases within a tenancy and up on renewal; rent in all cases is agreed freely between the lessee and the lessor. Art. 2950(2) of the code seem to provide another means of determining rent amount. It states: “in case of doubt, it shall be fixed in conformity with the tariffs established by the municipal authorities or, failing such tariffs, in conformity with the custom of the place.” Therefore, under Ethiopian lease law, a rent increase is to be freely agreed between the parties.

Many jurisdictions provide rules for an orderly increase of rent because of its dire effect on stability of renters. Accordingly, a rent increase either at renewals or within the same tenancy is strictly regulated. In most cases the prohibition against rent increases ranges from six to twelve months from the initial lease agreement. In our case a prohibition of rent increases one

year from the initial lease agreement is adopted, notice shall be given to the tenant about the price increase some one month ahead, and the increase in rent shall not go beyond 20%.

1.4. The Grounds and Process of Termination

In this section, we will examine the various legal grounds provided for termination of the lease by the lessor and the extent of protection afforded by the Ethiopian lease law.

1.4.1. Expiration of Lease Term

Pursuant to Art.2965 of the civil code, a lease made for a determinate (fixed) period terminates at the end of the fixed period. Fixed term leases are rare in many jurisdictions and do not terminate at the expiry of the term without serving of notice. Leases also made for an indeterminate period can be terminated by lessee or lessor by serving notice. Termination Hence, termination by notice can be made at any time irrespective of the time the lease has been in place. However, the duration of notice period is determined by law to be equivalent to the duration of the rent due date. In other words, termination is effected when next rent is due. If rent is paid monthly, the duration of the notice is 30 days and the lease terminates at the end of the month. To increase security of tenure for tenants, jurisdictions like japan and Netherlands require a notice period of three to six months to terminate open ended leases. Three months' notice for termination is fair to be adopted in this manual.

1.4.2. Anti-Social Behaviour

Anti-social behaviour is the first ground where the lessor is entitled to terminate fixed term leases before expiry of the term. Anti-social behaviour is a disturbance caused by the behaviour or life style of the lessee, the lessee's dependants or associates. In England, the Netherlands, and Japan termination of a tenancy due to anti-social behaviour is done by serving notice to the tenant and same is applied in our case. The tenant is entitled to object. Thus, the RIPDC is not entitled to terminate the lease immediately.

1.4.3. Failure to Pay Rent

Failure of the lessee to pay rent is the second ground for termination of the lease by the lessor before expiry of the lease. The law provides strict rules regarding the process of termination owing to failure to pay rent, i.e., a lease can be terminated only after serving notice of default to the lessee and the lessee fails to pay with in the notice period. The duration of the notice period varies depending on the duration of the lease. The shorter notice period is 15 days for leases that are shorter than a year and the maximum notice period is 30 days for leases of one year and above. The notice period is mandatory and cannot be circumvented in any case. If the lessee refuses to leave after termination of the lease, it necessary involves police and the courts.

Annex 2: Application Form

THIS SECTION TO BE COMPLETED BY RESIDENTIAL BUILDING AND HOUSES SENIOR EXPERT

1. Identification of Building to be rented: _____
2. The term of this rental is:
 Fixed Lease (from: _____, 20____ to: _____, 20____)
 Month-to-Month (starting: _____, 20____)

3. Amounts Due Prior to Occupancy

First month's rent Birr/USD _____
Security deposit Birr/USD _____
Other: _____ Birr/USD _____
TOTAL: Birr/USD _____

THIS SECTION TO BE COMPLETED BY APPLICANT

4. Applicant Personal Information

Full Name: _____
Phone: _____ Identification Number: _____

5. Vehicle Information

Do you have a vehicle? Yes No
Make: _____ Model: _____ Color: _____
Year: _____ License Plate Number: _____

6. Occupants

List the full names of ALL Occupants: _____

7. Applicant's Rental History

Do you currently rent? Yes No
If yes, enter the **Current Address**: _____
Start Date: _____, 20____ End Date: _____, 20____
Reason for Leaving: _____
Residential Building and Houses Manager's Name:

Phone: _____ E-Mail: _____

8. Employment History

Current Employer: _____
Address: _____
Start Date: _____, 20____ End Date: _____, 20____
Supervisor's Name: _____
Phone: _____ E-Mail: _____

9. Gross Income

Gross Monthly Employment Income (before deductions): Birr/USD _____
Average Monthly Amounts of Other Income (if any): Birr/USD _____
Total Income: Birr/USD _____

10. Smoking

Do you currently smoke? Yes No

If Yes, what products: _____

11. Legal Action

Have you ever been bankrupted/Sued/ evicted? Yes No

If Yes, explain: _____

12. Personal References

Personal Reference 1 Name: _____

Relationship: _____

Phone: _____ E-Mail: _____

I, the applicant, certify that all the information given above is true and correct and understand that my lease or rental agreement may be terminated if I have made any false or incomplete statements in this application. I authorize verification of the information provided in this application from my credit sources, current and previous landlords and employers and personal references.

Applicant's Signature: _____ Date: _____

Annex 3: Rental Agreement

RESIDENTIAL HOUSE RENT CONTRACT

This contract is entered on (insert date and place) _____ between (insert name) _____ hereinafter referred to as “LESSOR” Address _____ and (insert name) _____ Address _____ hereinafter referred to as “LESSEE” to lease a residential house located at _____ house No-_____.

The Lessor and Lessee have entered this lease contract in accordance with the provisions of civil code No. 1679, 1731(1), 2005 and 2945(1).

TERMS: The lessor agrees to rent the residential house to the lessee from _____ to _____ for a period _____ years.

RENT: Under this lease contract the lessor agreed to rent the house to the lessee at a rate of birr _____ per month, including VAT. The lessee has agreed to rent the residential house for birr _____ a month including VAT.

PAYMENT: The lessee agrees to pay in advance one year rent of Birr _____ including VAT on the effective date of the lease. The lessor also agreed to receive one year payment of Birr _____ including VAT. This house rent payment includes security service, cleaning and landscaping, liquid and solid waste management.

SECURITY DEPOSIT: In order to cover possible damage inflicted by lessee on the property of the house, he/she shall make a security deposit amounting to three months house rent.

USE OF OCCUPANCY: The lessee shall use the leased house for residential purposes only. The lessee shall not use the premises, or permit it to be used for any disorderly, unlawful, or offensive manner.

UTILITY EXPENSES: The lessee shall pay monthly water, telephone and electricity bills of the rented house on time from the date of signing this contract.

INSPECTION: The lessor shall not enter the rented house without approval of the lessee. However he shall notify the lessee in advance to inspect the proper use of the property.

SUBLEASE: The lessee shall not sublease the rented house to third party without prior approval of the lessor.

PETS: The Lessee shall not bring dogs, cats and other pets into the rented premises.

RENT PRICE ADJUSTMENT: The lessor may adjust the rent price every other two years based on the local market price. The lessor shall notify in advance.

MODIFICATION AND RENOVATION: The lessor shall hand over the house in good condition and order. The lessee shall not make any modification or renovation to the rented house without prior approval of the lessor. The lessee shall not have the right to demand payment for repairs made to the rented house without the lessor permission. (Hand over checklist attached to this lease agreement)

EXTENSION OF THE LEASE CONTRACT: Upon expiry of this lease period the contracting parties may agree to extend the lease period for another term.

NOTICE OF TERMINATION: Both contracting parties shall agree under this lease contract to give three months' notice to terminate the house rent lease any time. The lessee shall forfeit his security deposit when decided to leave the house without notice.

EVICTION: The lessor shall evict the lessee if the lessee persistently breaches the rules of residential house.

EVICTIION PROCESS: The lessor shall evict the lessee in orderly manner using legal enforcement body when the lessee fails to abide by agreed terms of this lease contract.

FORCE MAJEURE: In case of force majeure beyond the capacity of the contracting parties as per articles of 1792(1) and 1793, the contract is terminated and the parties are reinstated.

REMEDY FOR DISPUTE: If dispute arises under this lease contract parties have agreed to resolve it amicably. If disputes cannot be resolved amicably any party may take the matter to court.

APPLICABLE LAW: This lease contract shall be governed by the relevant law of the country where this agreement is signed.

IN WITNESS WHEREOF, the parties have duly signed on_____

For or on behalf of the lessor

for or on behalf of the lessee

Annex 4: Move In and Out Inspection Form

Apartment Condition Checklist

Tenant's Name: _____

Apartment Number: _____

Apartment Size: _____

Date of Move-In: _____ Inspector: _____

Date of Move-Out: _____

<i>Item</i>	Move-In Condition	Move-Out Condition	Cost of Repair/Replacement
Front Door Lock			
Walls			
Lights/Globe			
Windows			
Kitchen Sink			
Cabinets			
Countertops			
Bathroom			
Bathroom Door and lock			
Bathroom Floor			
Bathroom wall			
Hand wash tub			
Toilet			
window			
Bed Room 1			
Door			
Door Lock			
Walls			
Window			
Window Lock			
Ceiling			
Ceiling Light			
Floor			
Bed Room 2			
Door			
Door Lock			
Walls			
Window			
Window Lock			
Ceiling			
Ceiling Light			
Floor			
Bed Room 3			
Door			
Door Lock			
Walls			

<i>Item</i>	Move-In Condition	Move-Out Condition	Cost of Repair/Replacement
Window			
Window Lock			
Ceiling			
Ceiling Light			
Floor			
Others, describe			
Others, describe			

I understand that the above-listed items are supplied for my use by _____ during my tenancy at their properties. These items remain the property of _____ upon termination of my lease. I agree to be responsible for any damages to these items beyond normal wear and tear. I acknowledge that I have received an orientation to the areas/items above. I also understand that all costs are estimates and I will be charged the actual replacement cost to the owner.

Signature of Tenant: _____ Date: _____

Signature of maintenance supervisor: _____ Date: _____

Annex 4: Each Positions Minimum Professional Requirement and Roles

S//N	Profession	Qualification	Minimum number	Role
1	Senior Expert, Building management and administration	Bachelor Degree in Management/ Accounting/ having 6(six) years of experience in a related work	1	Manage the overall activity of the building administration, manage the relationship with the tenant/RIPDC, manage contracts for outsourced activities of the building administrator service provider, Record keeping, compiling reports and communicating to the RIPDC
2	Service call receptionist	A Graduate from a Technical & Vocational School (10+2) in construction having 4(Four) years of experience in a related field	3, one in each shift	Receive service calls and transfer to the maintenance crew, record the authorization form, complete the service call registration log book, report the service call performance to the building administrator
3	Maintenance Service Supervisor	BSC degree in Civil/ electrical/ sanitary engineering and having two years of experience in related works	1, normal shift	Inspection, costing, Preparation of maintenance budget, planning and implementation of maintenance, preparation of maintenance report, administering contract with architecture that performs the supervision of the maintenance
4	Supervisor for tenant related services	Bachelor Degree in Management/Public Administration and 4(four) years of experience in a related work College Diploma (10+3) in Human Resource Management and 6(six) years of experience in a related work	1, normal shift	Managing the relationship with the tenant starting from receiving rental application to moving out of tenants
5	Technicians			
5.1	Electrician (with helper)	College Diploma (10+3) in Electrical Engineering and having two years' experience in related fields or A Graduate From a Technical & Vocational School (10+2) in	3, one in each shift	Re-lamping of the building as per the schedule given and handling service calls in relation to electrical system failure.

S//N	Profession	Qualification	Minimum number	Role
		Electricity having 4(Four) years of experience in a related work		
5.2	Plumber (with helper)	A Graduate from a Technical & Vocational School (10+2) in plumbing having 4(Four) years of experience in a related work	3, one in each shift	Service calls in relation to water supply line and sanitary system
5.3	General Mechanic (with helper)	A Graduate from a Technical & Vocational School (10+2) in general mechanic having 4(Four) years of experience in a related	3, one in each shift	Service calls in relation to doors, windows, locks, and any other maintenance work.

Annex 6: Tenant Hand Book

6.1. Ripdc-Tenant Relationship Basics

The RIPDC-Tenant relationship is governed by certain Wereda, Oromia Region and Federal laws. In the RIPDC-Tenant relationship, each party has rights and responsibilities that arise from the law and the lease agreement.

6.1.1. Obligations of Ripdc

RIPDC must:

- Provide for the maintenance of the health, safety, and welfare of tenants;
- Comply with Federal, Region, and local laws relating to residential rental buildings and houses
- Keep all common areas of the rental building and houses such as garage, parking area, stairs, corridors, lobbies, toilets, etc in a clean and safe condition;
- Make all necessary repairs so that the rental property is maintained in a habitable condition;
- Maintain electrical, plumbing, and other equipment in good working condition. This includes any appliances that are in the rental residential building and house when the tenant moves into it;
- Supply utilities (water and electricity) as reasonably required for use by the tenant. The lease agreement determines responsibility for payment of utilities;
- Provide tenants with at least 24 hours' notice before making non-emergency repairs;
- Provide at least 72 hours' notice prior to any scheduled inspection;
- Provide contact name and number of the call centre receptionist to tenants for someone who is available at all times in an emergency;
- Comply with all other provisions that may be contained in the lease; and,
- Provide the tenant with the name, address and telephone number of the person who is authorized to accept notice or legal service of process on behalf of the IAIP. This information must be contained in the written lease or posted in a conspicuous location on the property.

6.1.2. Obligations of Tenants

Tenant must

- Pay rent timely in accordance with the lease agreement;
- Keep the rental building and houses clean and sanitary;
- Keep plumbing fixtures clean and sanitary and operate all electrical and plumbing fixtures properly;
- Inform to the IAIP call centre worker promptly of any defects or problems at the rental building and houses;
- Permit access to the maintenance worker for non-emergency repairs when proper notice (at least 24 hours) is given by the residential building and house manager of IAIP;
- Permit access to the IAIP maintenance workers for scheduled inspections (at least 72 hours' notice);
- Not damage or allow anyone else to damage the rental building and house;
- Dispose of trash in a clean and sanitary manner by placing in appropriate container and containers are not to be out of the storage area except on trash pickup days; and
- All tenants, residents and guest are expected to conduct themselves in a way that will not offend or disturb the neighbours.

- Comply with all other provisions contained in the lease.

6.1.3. Tenant's Rights

Tenants have the right to:

- Receive at least 24 hours' notice prior to IAIP worker, agent, or contractor entering the house, except in cases of emergency;
- Receive 72 hours' notice prior to scheduled inspections;
- Review the proposed lease prior to signing the lease;
- Give 30 days' notice to vacate if repairs that pose a threat to the health and safety of a tenant have not been completed;
- Receive a copy of the current Tenant Handbook at move-in;
- A written explanation of the allocation of the cost for utilities bill in built in the residential building and house;
- Call the office of residential building and house manager should you have any questions regarding your rights and responsibilities under RIPDC-Tenant law;
- File complaints with the Office of residential building and house manager individually or as a group;
- Receive at least 90 days' notice of any proposed rent increase or 60 days' notice of IAIP's decision not to renew the lease

6.1.4. Helpful Hints

Tenant

- Keep the lines of communication with the IAIP open. It is much easier to get issues resolved if a spirit of cooperation exists between IAIP and tenant;
- Inspect the residential building and house with the maintenance and tenant relation supervisors at move in and make detailed notations of any problems. Take photographs of the property at the beginning and ending of the tenancy;
- Report any maintenance problems promptly to IAIP call centre receptionist and put the request for repairs in writing;
- Make all requests of IAIP in writing and keep copies of all correspondence;
- Always pay the rent on time. The Lease states that rent is due on the first of the month, and it is late on the second. If rent is paid after the first, it is late. IAIP can sue for Failure to Pay Rent after 5th of the month. Not paying the rent on time constitutes a breach of lease. Repeated untimely rent payments can be the basis for not renewing a lease and can make it difficult to obtain housing in the future;
- Always get a written receipt for rent payments and maintain a record of those payments;

RIPDC:

- Keep the lines of communication open with the tenant and the tenant community. It is much easier to get issues resolved if a spirit of cooperation exists between RIPDC and tenants;
- At move-in, inspect the property with the tenant, and make detailed notations of any problems that exist. Take photographs of the property at the beginning and ending of the tenancy;
- Make all requests of the tenant in writing and keep copies of all correspondence;
- Respond to requests from the tenant in a timely manner;

- Keep records of all responses to tenant requests for repairs to the residential building and houses;
- It is advisable not to let tenants get too far behind in rent payments.
- Remember: rent is due on the first of the month; it is late on the second. A tenant can be sued for Failure to Pay Rent after the 5th of the month if no payment is received;
- Always give tenants a written receipt for rent payments and maintain consistent and accurate accounting records of all rental and other payments;
- If you sue a tenant for Failure to Pay Rent and the tenant subsequently pays the rent, notify the court immediately. It is illegal to knowingly obtain a judgment once the rent has been paid; and
- Screen your tenants before signing a lease.

6.1.5. Prohibited Actions

RIPDC shall not

- terminate a tenancy, decrease any services provided for in the lease or increase the rent merely because a tenant exercises its rights stated in the lease agreement or tenant handbook
- Evict a tenant without following proper judicial process.
- Issue a tenant a notice to vacate based on the tenant's race, colour, national origin, religion, sex, marital status, physical or mental disability, presence of children, ancestry, source of income, sexual orientation, or age.

6.2. Security Deposits

A security deposit is any money, including payment of the last month's rent, taken by RIPDC, in advance of the time it is due, to protect RIPDC against damage caused by tenants, guests, or invitees (normal wear and tear accepted), non-payment of rent, and/or damages incurred by RIPDC if the tenant breaches the lease. The total amount of the security deposit cannot exceed the equivalent of two months' rent.

RIPDC must give the tenant a written receipt for payment of a security deposit. RIPDC is required to retain a copy of the security deposit receipt for a period of two years after the end of the tenancy.

The receipt for payment of the security deposit must contain a notice informing the tenant of the following:

- Their right to have the rental building and house inspected by tenant relation and maintenance supervisors in the tenant's presence for the purpose of making a written list of damages that exist at the beginning of the tenancy. The tenant must request an inspection by certified e mail or in writing in paper within 15 days of the tenant's occupancy;
- Their right to be present for a final walk-through inspection of the rental property if the tenant notifies RIPDC by certified e mail or in writing in paper at least 15 days before the date of the intended move out. This notice must contain the intended move-out date and the tenant's new address. RIPDC is obligated to conduct this inspection within five days before or after the tenant's intended move out date. RIPDC is obligated to notify the tenant in writing by certified e mail or in writing in paper of the date of the inspection;

- Their right to receive, within 45 days after the termination of the tenancy, by e mail or in writing to the last known address of the tenant, a written list of the charges against the security deposit claimed by RIPDC along with the actual costs incurred to repair any damages; and
- RIPDC's obligation to return any unused portion of the security deposit to the tenant's last known address or account number, within 45 days after the termination of the tenancy;

Tenants have no legal right to deduct the deposit from any rental payments. This means you may still legally be held in default should you deduct rental payments from the deposit and RIPDC may move forward with due process to legally recover those funds. You cannot use your security deposit for the last month's rental payment.

The Tenant is not considered officially vacated until all the keys, have been returned to the residential building and houses manager. Rent will continue to be charged and any late charges will accrue until such time as you have vacated completely. Once all keys have been returned to residential building and houses manager or tenant has been lawfully evicted, all items remaining in the unit will be disposed of. Personal property left in the leased unit tenant has vacated or has been evicted is considered abandoned and the residential building and houses manager may dispose of this property in any manner without notice to Tenant. Tenant must pay agent for RIPDC's cost of storage or disposal of tenant's property.

Security deposits can be used to repair damage for which the tenant is responsible. However, RIPDC cannot apply the security deposit to normal wear and tear. Normal wear and tear mean the deterioration which occurs, based upon the use for which the rental unit is intended; without negligence, carelessness accident, or abuse of the premises or equipment by the tenant or members of his household or their invitees or guests. Damage can therefore be defined as deterioration which occurs due to negligence, carelessness accident, or abuse of the premises or equipment by the tenant or member of his household, or their invitees or guests. Some examples of normal wear and tear and damage that is the responsibility of Tenant is given in the following Table 2.1.

Table 2.1: Examples of Normal Wear and Tear and Damage

S/N	WEAR & TEAR	DAMAGE
1	Small nail holes caused by a 6-penny nail or smaller to hang picture frames and other items on walls	Large holes from hanging shelving, pictures, screws, wall anchors, flat screen television brackets or any other wall hanging that causes damage.
2	Light smudging on walls, near light switches that can be cleaned	Crayon, marker, decals that leave residue or take off paint when removed
3	Loose or stubborn door lock	Broken or missing locks
4	Worn out keys	Broken, lost or unreturned keys
5	Loose hinges or handles on doors	Damage from a door from forced entry, or damage from using feet to open doors
6	Worn countertops due to daily use	Burned, cut, stained, scratched or water damaged Countertops, not using cutting boards
7	Stain on ceiling from rain or bad plumbing that was reported as specified in the lease agreement	Stain on ceiling from rain or bad plumbing that was NOT reported in a timely manner as required in the lease agreement
8	Drywall cracks from settling	Holes in walls, doors, screens or windows from misuse, negligence, carelessness, accident, or abuse
9	Faded, chipped or cracked paint	Unapproved or poor paint job
10	Dirty window and door	Broken doors or window
11	Running toilet or loose toilet	Broken toilet seat, tank top or chipped or cracked toilet bowl
12	Stains on old porcelain fixtures that have lost their protective coating	Grime coated tub & shower from lack of cleaning
13	Worn gasket on fridge doors	Torn or cut gaskets, broken shelf or parts

6.3. Inspection

When a tenant vacates a rental residential house, RIPDC shall inspect the property for damage. If a tenant wishes to be present for this inspection, the tenant must

- Send a written notice to RIPDC by certified e mail or in writing in paper;
- Send the notice to RIPDC at least 15 days before the move-out date; and
- State the move-out date and include the tenant's new address.

RIPDC must:

- Respond to the tenant in writing, via certified e mail or in writing in paper, advising the tenant of the date and time of the inspection; and
- Schedule the inspection within 5 days before, or 5 days after, the move-out date given by the tenant.

It is strongly recommended that tenants exercise this right so that both parties are present when the inspection takes place to determine if any damage beyond normal wear and tear has occurred. This inspection will create a written inspection report, detailing the condition of the residential house.

It is also recommended that RIPDC and the tenant, if present, take time and date stamped photographs of the rental residential house as part of this inspection to document the condition

of the property. Prepare an inspection report even if no damage is noted. The inspection report should be signed by both parties.

1. NOTICES

A working RIPDC-Tenant relationship depends on good communication. Giving and receiving proper notices is essential to maintaining this relationship and avoiding unnecessary costs for both RIPDC and tenant. The notices highlighted below are the most common.

6.3.1. Rent Increase

- A notice of rent increase must be in writing and delivered to a tenant at least 90 days prior to the effective date of the rent increase;
- A tenant may receive only one rent increase in a 12-month period.

A rent increase notice must be in writing and contain the following:

- The monthly rent charged immediately preceding the effective date of the proposed increase;
- The new monthly rent;
- The percentage of increase;
- The effective date of the proposed increase;
- Any other information RIPDC deems useful in explaining the rent increase.

RIPDC should also advise the tenant that if they do not wish to renew the lease or pay the rent increase, they must give a 60-day notice to vacate.

6.3.2. Quit and Vacate

- Must be in writing;
- Must state the specific date by which the tenant is to vacate;
- Must be given for the proper notice period; and
- Must be received by RIPDC/tenant on or before the rent due date, except in cases of breach of lease or early termination by tenant for reasons beyond a tenant's control;

At the end of a long-term lease (more than month-to-month), if RIPDC does not want to renew a tenant's lease, it must give the tenant two months' written notice to vacate.

Month-to-month tenants are entitled to at least two months' notice from RIPDC, except in cases of breach of lease. Month-to-month tenants are generally required to give at least two months' notice to vacate.

A notice to vacate can be issued to a tenant during the lease term if the tenant has substantially breached the lease. Such notice must be given at least 30 days prior to the date on which the RIPDC intends to repossess the residence house and contain the specific circumstances of the alleged breach. This notice does not have to coincide with the rent payment cycle. RIPDC may give a 14-day breach of lease notice if the breach involves behaviour by a tenant or a person who is on the property with the permission of the tenant which demonstrates a clear and imminent danger to the tenant, RIPDC, or other tenants. A tenant who has breached the lease may not be evicted by RIPDC without exercising proper judicial process.

6.3.3. Defects

When a tenant notifies RIPDC of a defect in the resident house or requests repairs, It is highly recommended that this request be in writing. RIPDC must make the repairs in a reasonable time period.

6.3.4. Terminating the Lease

When either RIPDC or tenant wants to terminate the lease, they must first give written notice. This is referred to as giving a “notice to vacate.”

RIPDC:

- Put the notice in writing;
- State the exact date by which the residence house is to be vacated; and,
- The tenant must receive written notice on or before the rent payment due date, except in cases of breach of lease;

Tenants:

- Put the notice in writing;
- State the exact date by which the residence house is to be vacated;
- RIPDC must receive the written notice on or before the rent payment due date except in cases of early termination for reasons beyond a tenant’s control. The tenant must vacate by midnight on the last day of the notice period. RIPDC is not obligated to charge pro-rata rent based on the days a tenant holds over. By staying into the next month, a tenant is liable for the entire month’s rent, unless RIPDC gives written permission to the contrary.

6.3.5. Notice Period

RIPDC shall give the tenant two months’ written notice to vacate.

6.4. Early Terminations

Under certain circumstances, a tenant may terminate the lease agreement by giving RIPDC a 30-day written notice to vacate.

RIPDC must give the tenant 30 days’ written notice that the tenant is in violation of the lease, must state the nature of the breach, and must state the intention to repossess the property. This notice does not have to coincide with the rent payment cycle. However, RIPDC may give a 14-day breach of lease notice if the breach involves behaviour by the tenant or a person who is on the residential house with the permission of the tenant which demonstrates a clear and imminent danger to the tenant, RIPDC, other tenants or themselves. Unless the tenant voluntarily vacates, RIPDC must obtain a court order to repossess the unit.

To obtain a court order, RIPDC must demonstrate to the court that:

- The tenant breached the terms of the lease;
- The breach is substantial and on-going; and,
- The breach warrants eviction.

If the tenant corrects the breach before the court date, the tenant should appear and demonstrate this to the court. It will be up to the court to decide whether an eviction will take place.

6.5. Court Actions - Evictions

Eviction is the court-ordered removal of the tenant and the tenant's personal belongings from a rental property. The court-administered eviction process assures a tenant of the right to a hearing if they believe that the eviction action is not justified. It is the final step in a series of procedures initiated by RIPDC to repossess the property. A tenant may be evicted for non-payment of rent (Failure to Pay Rent), breach of the lease agreement (Breach of Lease) or failing to vacate after receiving proper notice from or giving proper notice to RIPDC (Tenant Holding Over).

A tenant can only be evicted by Order of the Court. RIPDC does not have the right to evict without proper judicial process. RIPDC cannot physically remove or lock out the tenant, cut off utilities such as water or electricity, remove outside windows or doors, or seize (take) the tenant's belongings to force the tenant to vacate a rental property. It must follow court procedures.

Rent is defined as payment for the tenant's use and possession of rental residence house. Rent is generally paid monthly. If rent is not paid, RIPDC has the right to file suit in Court for non-payment of rent.

RIPDC is required by law to promptly give the tenant a written receipt for the payment of rent in cash or by money order and upon request, if the tenant pays by check.

6.5.1. Failure to Pay Rent

The following sequence of events takes place when RIPDC files a failure to pay rent action in the Court. Initiating an Eviction for Failure to Pay Rent

RIPDC:

- Give first notice and last notice in writing and no response continue to the next step
- Files a Failure to Pay Rent action in the Court
- States the amount of rent due, including late fees and any court awarded costs;
- Requests a judgment for repossession of the property and/or payment of rent due

6.5.2. Breach of Lease

Filed when there is a significant violation of the lease terms. A tenant should correct the breach if possible and document it so they can prove to the Judge it has been done

- Follows the same process as Failure to Pay Rent with the following exceptions:
Appeal period is 10 days; and
- Payment of overdue rent will not prevent an eviction

Annex 7: Maintenance Request Form

Building Identification.....
Resident's Name..... Phone.....
Request.....
.....
Request Received By..... Date.....

I the undersigned hereby acknowledge that I requested the maintenance described above to be done in my rental house. I expect that this work will be completed as soon as possible. I authorize the management staff or; if necessary, a contractor to enter my house during reasonable hours in order to complete the maintenance work. Notwithstanding my absence from the house at the time of entry, my signature on this request form shall be my consent to enter my house to do the maintenance work. Should more than one visit be necessary to correct the problem I also give my consent?

Tenant's Signature..... Date.....
Tenant: Please fill out the above information and submit to the call centre receptionist. Do not fill out beyond this point.

Condition in the house

.....
.....
.....
Inspected by:..... Date:.....
Action taken to fix problem
.....
.....

Annex 8: Data Collection Work Sheet (Log Book) For Service Calls

Date	Work authorization No.	Facility type/ no./ location	Work description	Time work order is transferred	Time that assigned person is at the site with the reqd. tools and material	Time the work is completed	Observed defect	Violated work procedure	Rework ordered-date/time	Rework completed date/time

Maintenance Supervisor's signature _____

Annex 9: Service Call Work Authorization Form

A. COMPLETED BY THE CALL RECEPTIONIST

1. DATE/TIME RECEIVED _____
2. CALLER'S NAME/PHONE NO. _____
3. BUILDING IDENTIFICATION _____
4. DESCRIPTION OF PROBLEM _____

5. CLASIFICATION OF THE CALL EMERGENCY URGENT
ROUTINE

B. COMPLETED BY THE MAINTENANCE PERSON ASSIGNED

1. DESCRIPTION OF WORK COMPLETED _____

2. MATERIALS AND PARTS USED _____

3. DATE AND TIME WORK BEGAN _____
4. DATE AND TIME WORK COMPLETED _____
5. LABOUR TIME BY CRAFT EXPENDED _____

MAINTENANCE SUPERVISOR'S NAME AND SIGNATURE _____

Annex 10: Pm Checklist Recording Form

Building/House Identification _____

Scheduled performance date _____

Actual start date _____

Actual completion date _____

Check point No.	Check point Description	Comments

Deficiencies corrected during PM

Deficiencies exceeding the scope of PM

Signature of Technician _____

Date _____



Security system & policing in the IAIP/RTCs operational manuals



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1. BACKGROUND AND INTRODUCTION

To ensure the IAIP can compete globally, it was apparently designed and built to comply with rigorous food processing standards to attract anchor investors with an emphasis on sustainable production. Appropriate guidance in the areas of security and safety with priorities shall be considered to build tenant investors trust and confidence.

2. ROLES AND RESPONSIBILITIES OF STAKEHOLDERS

Regional IPDC is responsible to safeguard the investors. IAIP shall maintain a CCTV monitoring room with their own staff while the service of guarding can be outsourced for local security agency while the management and monitoring shall be on the hand of park. Accordingly, the roles and responsibilities of the stakeholders are stated as follows:

Tenant investors

Above the annual lease costs, Investors shall pay maintenance fees dependent on the number of units leased in the scope of security infrastructures. According to internal purpose, All Investors have to hire private security firms to support security within their units. Additionally, following the IAIP/RTCs standard for fencing, they can fence the units to have better access control and loss prevention.

Contracted Security Company

The contracted security company shall manage access control and secure the common facilities inside the park, such as the administrative buildings, park main gate and park level fencing boundaries. They have to conduct patrols at park. They are responsible for searching and screening to prevent threats coming into the park and loss prevention. They have to report for the park integrated service department and deputy admin and finance manager (optional) of the IAIP/RTCs.

Nearby City Police

There should be a police station inside the IAIP to provide a direct service to the workers within the IAIP. Accordingly, at least 3 police shall be present in their office at each shift. All police station facilities shall be fulfilled by RIPDC while the staff salary and chain command shall be emanated from their institutional frameworks. More importantly, the regional government can assign investment police who can handle security services for the park. The police in duty shall also be responsible to report to the IAIP manager.

3. PRINCIPLES OF PARK SECURITY

Security aims to mitigate related risks. Risk is assessed by considering the threat against the vulnerability measured with achievable/resulting impact. The 'Threat' is an indication of human activity that seeks to present dangers to normality, (or 'Hazard', a natural phenomenon that affect business as usual). Therefore 'threat' considerations should include capability, intent and targeting by an individual or group with aspirations against the venue directly or a particular individual at a predictable time.

Threat includes considerations of the methods used to effect the perpetrator's goals. The desired intention of an act and the outcomes will play a key part in methodology. For example, mass public demonstration, infrastructure damage, theft, intrusion; these influence the method.

The threats are broken down in two ways, inside the IAIP/RTCs, where the victims are predominantly the Investors; and outside, where the individuals are targeted.

'Vulnerability' is the existing weaknesses of the building and/or the responsible staff, by way of its structure, construction, location, function, processes, systems and other inherent values. The functionality and inherent weaknesses contribute towards the attractiveness of a location as a target for crime. Vulnerability includes the level of impact that will be achieved by an active threat.

Impact is measured by assessing what results will be achieved by the methods applied by attackers and intentions. Reputational damage should also be considered as a potential impact. In an environment such as Integrated Agro Industry Park, where the integrated agro industry park is having a significant interaction with local community, it is important to also consider impact on the community to ensure that related risks are minimized and mitigated. It is necessary to implement serious security measures to improve the overall safety and security of stakeholders operating within the IAIP/RTCs and the staff.

4. PARK LEVEL SECURITY CONCEPT

4.1. Right Product for the right job

Security products need to be selected carefully, installed properly, operated professionally and maintained regularly. A safety and security team is essential to achieve professional installation of the right products to achieve the desired outcomes and satisfy operational requirements at IAIP/RTCs level.

4.2. Deter, Detect and Delay

Each security measure should offer one or more of these three aspects. Added together, all measures will increase each aspect exponentially. These three simple parameters operate on different levels but with interconnectivity. Visibly robust security acts as a deterrent; physical barriers delay penetration and detection presents opportunity for a quicker response, possible disruption and limiting the impact.

4.3. Layered approach

Successful security is most effective when implemented on a number of geographic layers. For example, an outer perimeter, inner perimeter, building line defenses, internal measures for each building, and safe spaces accommodating critical assets and staff. Several layers increase the likelihood of deter, delay and detect. The layers need to have workable and appropriate geographical parameters.

4.4. Integration

To ensure that overall security is enhanced, holistic integration is important. This prevents each component being compromised independently. Integration ensures the interdependence of physical measures with any electronic and human procedural security procedures is utilized effectively. For example, Intruder Detection Systems (IDS) need to have a response, and security personnel need to react cohesively to be effective and efficient. Close Circuit Television (CCTV) if for evidential purpose must be positioned appropriately to support evidence against any perpetrators detained by response teams. When searching and screening, what actions are taken if a device or weapon is found?

4.5. Operational Requirement and Technical Design

An Operational Requirement (OR) is a statement of need based upon a thorough and systematic assessment of the problem to be solved and the hoped for solutions. The OR ensures that appropriate security measures are recommended to manage the risk to a level acceptable to all stakeholders. It introduces the concept of a structured methodology for determining the security requirements.

There are two levels of an OR. The Level 1 OR provides a statement of the overall security need, asset description, perceived threat and vulnerabilities, consequence of compromise and success criteria. Level 2 ORs follow on from the completed Level 1 and address individual security measures in more detail, such as fences, CCTV, control of access etc., which together provide the basis for a fully integrated security solution. These ORs guide the technical design and layout.

4.6. Security Culture

A culture of good security is necessary for the system to work effectively, efficiently and consistently.

Security Culture starts from the very senior elements and must be supported at the highest levels, by all stakeholders, to limit opportunities for compromise and bypassing the system.

Security culture not only encompasses developing good policies but also discipline, posture and how security staff present themselves.

4.7. Incident Response and Contingency Plans

During a major incident there is little time to think about what actions need to be taken. Advance preparations make a big difference to an organization's response to an incident. Where the Response plan helps to shape the initial handling of an incident, the contingency plan sets out the actions, decisions and arrangements for recovering operations.

4.8. Security Management and overview

While each individual member of security staff is focused on their specific role, it is important to have one or more supervisors that can see the bigger picture, ensure integration and maintain a staff security culture and oversight. Security Management is responsible for the maintenance and repairs of security equipment and the overall system as well as personnel performance standards and training.

4.9. Training of personnel

Security personnel need to be trained to provide the appropriate level of service, diligence, alertness and response to every given situation. Operating procedures need to be written up for each post and the post holder competent to operate the equipment installed. Training should be specific, regular and subsequent performance monitored. Training is also required for team leader.

4.10. Detecting Hostile Reconnaissance

Hostile reconnaissance is the strategic observations of a location to define the best method of attack to achieve the highest impact. Identifying and disrupting hostile reconnaissance is a key defensive measure for venues that are attractive targets.

5. DAILY OPERATION REQUIREMENTS AND PROCEDURES

It is strongly recommended that a formal risk assessment and planning process needs to be conducted and documented, involving as many stakeholders as possible, to identify problems and risks, prioritize, and decide on what actions to take to mitigate the problems.

The process should comply with the guidelines provided in the International Organization for Standardization IEC 31010:2009 Risk Management – Risk Assessment Techniques.

An accurate indication of costs shall be studied to access the IAIP/RTCs compound based on labor costs, materials and equipment availability, quality and cost in Ethiopia. Digital access control cards shall be prepared and implemented with all necessary facilities. Having these prerequisite the IAIP/RTCs shall have:

5.1. Perimeter control

- ✓ Items close to the fence should be removed and regular checks made to ensure objects are not positioned to aid a breach of security.
- ✓ The trees and shrubs need to be cut back and regularly monitored and trimmed.
- ✓ Initiate daily patrols that will walk/drive round the perimeter and observe for deficiencies or damage
- ✓ Consider an IDS to be integrated.
- ✓ Move the machines out of sight or create a visual barrier so users cannot be seen.
- ✓ Introduce the requirement for regular patrols beyond the perimeter so guards can move close to these people and observe them. This will act as a deterrence and opportunity for detection.
- ✓ Periodically switch on the lights and conduct a patrol to identify any hostile reconnaissance and ensure the area is clear.

5.2. Access Control

- ✓ Consider using longer arms on the barrier mechanism. Take into account the additional weight to ensure the mechanism can cope. This will stop motorcycles, bicycles and people passing through the gaps.
- ✓ The database aim and objectives need to be clearly defined so that it will be designed and built to meet all requirements. Stakeholders need to be part of that process or it will end up not being used because it does not serve the purpose.
- ✓ Data Protection laws will also have to be introduced to conform with international standards if it is to accommodate the international staff.
- ✓ Specifications of the pedestrian barriers should be examined to ensure they will meet the demands that will be placed on them when in full use.

5.3. Control Room

- ✓ A Control Room is a necessity. The Control Room needs well trained staff and capability, not just to manage incidents as they unfold, but to also take on the initial leadership role of a developing crisis or a critical incident.

5.4. Closed Circuit Television (CCTV)

- ✓ Training for the CCTV operators. There should be more than one.
- ✓ Explore how CCTV can be better utilized to ensure good security. For example, monitoring the quality of service of the guard force.
- ✓ Explore the possibility of utilizing the CCTV room as the Control Room and how CCTV can support incident and emergency response.

5.5. Security Personnel

- ✓ The numbers of security staff, hierarchy and SOPs for each post need to be defined and written;
- ✓ Emergency drills and tactical reactions/deployments for each post should be practiced;
- ✓ Contingency plans need to be drawn up for eventualities based on a formal risk assessment;
- ✓ Suitable training should be provided to improve confidence, knowledge and skills,
- ✓ Their situational awareness and observation skills need to be improved;
- ✓ Well-fitting, clean uniforms that reflects a disciplined, well trained, professional body will enhance their image;
- ✓ A supervising team should be employed. S/He should have strong leadership qualities with sound knowledge and experience with the opportunity for further skills development such as 'recognizing hostile reconnaissance and counter reconnaissance', crisis management, etc.
- ✓ Codes of Conduct for all security on site should be agreed by each security employee;
- ✓ A hierarchy of accountability should be defined so each security stakeholder understands theirs and others' responsibilities.
- ✓ Security should be informed and regularly reminded that they are under CCTV monitoring.

5.6. Intruder detection Systems

- Explore whether an IDS can be installed and integrated with other systems such as the CCTV and access control.

5.7. Integration with Fire protection units

- ✓ Additional training on the need for readiness.
- ✓ Inductions for each of the Investor's units so they have a clear understanding what they may face. Some of these units have been changed and fire response expectations may be hindered when they encounter different layouts.

5.8. Power Supply

- ✓ It is important to protect the power source especially if security and safety systems are reliant on electricity supply.
- ✓ If a sub-station is being constructed, consideration should be given to resilience and defense in depth in the event of failure.

5.9. Security Culture

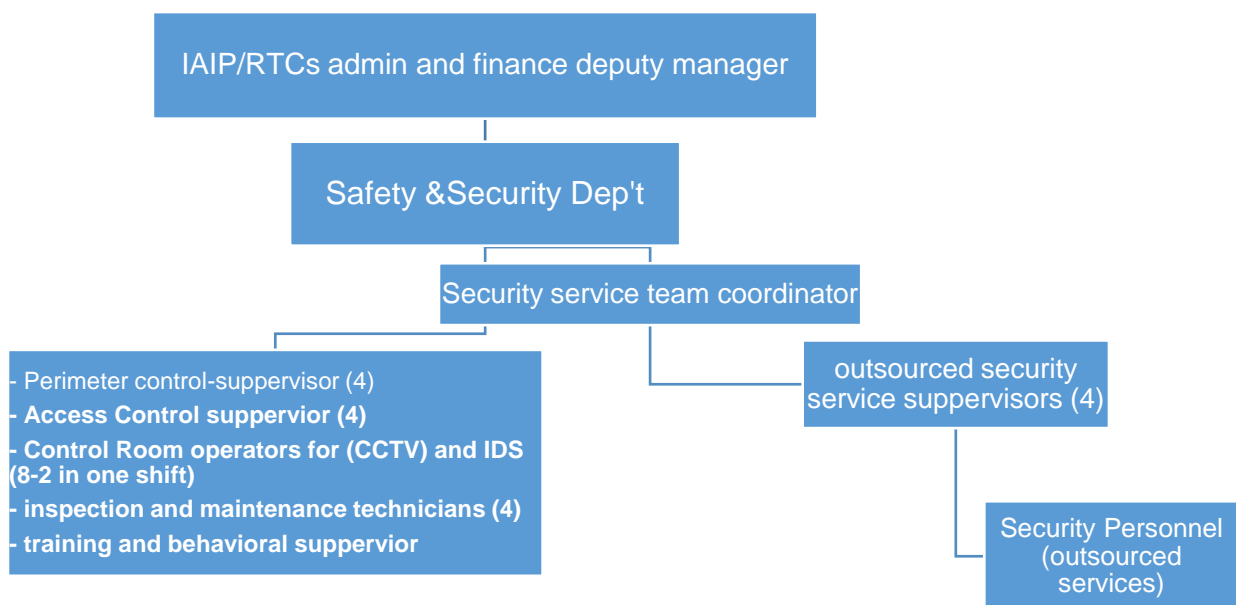
- ✓ Introduce Codes of Conduct for security behavior, a common standard across the IP;
- ✓ Introduce disciplinary measures for non-compliance of security regulations;
- ✓ Introduce 'threat levels' for the park and the vicinity to keep workers alert to issues;
- ✓ Nominate champions of security culture to encourage compliance and promote good practice such as regular updates and briefings to staff;
- ✓ Include Security as an agenda item for weekly meetings and share good practice;
- ✓ Conduct a monthly review of 'Change for Good' security measures to monitor compliance;
- ✓ Conduct random spot checks to ensure compliance;
- ✓ Praise and reward the good work from any staff who contributes to good security;
- ✓ Involve the worker by inviting innovation and recommendations for good practice;
- ✓ Provide Situational Awareness training for international staff so they can develop their understanding of their environment better;
- ✓ Employ a competent person to develop a security culture and manage security professionally.

- ✓ Employ a permanent presence on site to ensure all the above and support the manager to move security towards being a cultural norm and an expectation rather than a challenge

5.10. Security service Management option

Security of IAIP/RTCs Management contract outsourcing and in-house management are the two management options. Due its sensitivity and complexity to manage, there is also blended management option. Hence, for the purpose of this manual blended option is selected. Basically, internal control and supervision shall be handled by IAIP/RTCs while safeguarding security services shall be outsourced (see proposed organizational structure).

5.11. Proposed Organizational structure



6. CONCLUSION

IAIP/RTCs are vulnerable to crime. As the IAIP/RTCs gets busier and moves closer to maximum operational capacity, crime trends will increase exponentially. Organized crime will increasingly target the IAIP/RTCs as a source of wealth; not only with the high volume of national staff but also the massive increase in expatriate workers in and around the IAIP/RTCs. Therefore, IAIP/RTCs shall meet the various international standards for security for exports and domestics use too. Additionally, the systems implemented are only as good as the personnel that work them and the culture that supports security.

ANNEX

Annex 1:- ISO IEC 31010:2009 Risk Management – security Risk Assessment Techniques
(full document to be annexed)



Fire Prevention Services Operation and Management



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PURPOSE AND SCOPE

This manual defines the minimum requirements for preventing injury and loss due to fire at IAIP/RTCs. This manual will apply over the life of the IAIP/RTCs; it supports Occupational Health, Safety and Accident Prevention Plan.

DEFINITIONS

A Fire Brigade: - is an organized group of employees who have responsibilities but have been trained in appropriate fire-fighting operations with the needs of the IAIP/RTCs and site-specific fire hazards.

Hot Work: - refers to any activity that has the potential to produce electric arcs, open flames, hot particles or sparks, or other potential ignition sources. Hot work includes welding, arc or torch cutting, brazing, heating, or metal grinding.

An Incipient Fire:- is a fire in its initial or early stage that can be readily controlled or extinguished without placing the responder at risk of injury by using portable fire extinguishers or small-diameter water hoses, without the need for protective clothing, breathing apparatus, or high-pressure fire hoses.

Accident: - is an unexpected event that results in loss or injury to a person and/or damage to property or the environment.

Assembly Point:- a designated outside area safe for evacuated occupants

Emergency:- refers to unexpected sudden happening with potential injure or damage to humans, animals, plants and the environment

Emergency Response (Contingency) Plan: - a detailed program of action to control and/or minimize the effects of an emergency requiring prompt corrective measures beyond normal procedures to protect human life, minimize injury, to optimize loss control, and to reduce the exposure of physical assets and the environment from an accident.

Fire: - refers to unexpected burning of property, destructive burning of something: a situation in which something such as a building or an area of land is destroyed or damaged by burning.

Fire Extinguisher:- refers to an instrument prepared to suppress fire incident.

Fire Prevention:- prevent the occurrence of fire through the control of fire hazards and the proper maintenance of the building safety systems and facilities.

1. INTRODUCTION

Fire safety and Protection is an important responsibility for everyone. The consequences of poor fire safety practices and lack of emergency planning are especially serious in properties where processes or quantities of stored materials could pose a serious threat, not only to the business and its employees, but also to the entire IAIP/RTCs community and its surrounding in the event of fire emergency. In an effort to prevent fires and minimize the damage from fires when it occurs, a properly developed and implemented Fire prevention Procedural Manual is required.

The primary purpose of these manual is to provide occupants in the IAIP/RTCs facilities with guidance in the development of an Emergency Response Plan for a timely and effective response to industrial emergencies. This Fire prevention Manual contains important instructions concerning the proper conduct to guarantee safety; to avoid health hazards and risks to property, training, to prevent damages caused by fire, the proper procedure in the event of a fire and rehabilitation.

In formulating this procedural manual, the international and national standards as well as the national policies, rules and regulations have been taken in to considerations (IFC EHS guideline, 2007; Ethiopian Building Code,; and Ethiopia Labor Proclamation No 1156/2019). Therefore, all the safety issues included in this manual are supposed to be implemented by all facilities of the IAIP/RTCs.

2. LEGISLATIVE AND POLICY CONTEXT

The Ethiopian Constitution (come in to force on the 21st of August 1995) assures that citizens have the right to live and work in safe environment and working conditions. The concept of sustainable development and environmental rights are entrenched in the Rights of Peoples in Ethiopia through Articles 43, 44 and 92. The Federal Democratic Republic of Ethiopia Labor Proclamation No 1156/2019 part Seven Article 92 also deals with Occupational, Safety, Health and Environment which ensures the safety of the workers and the working environment.

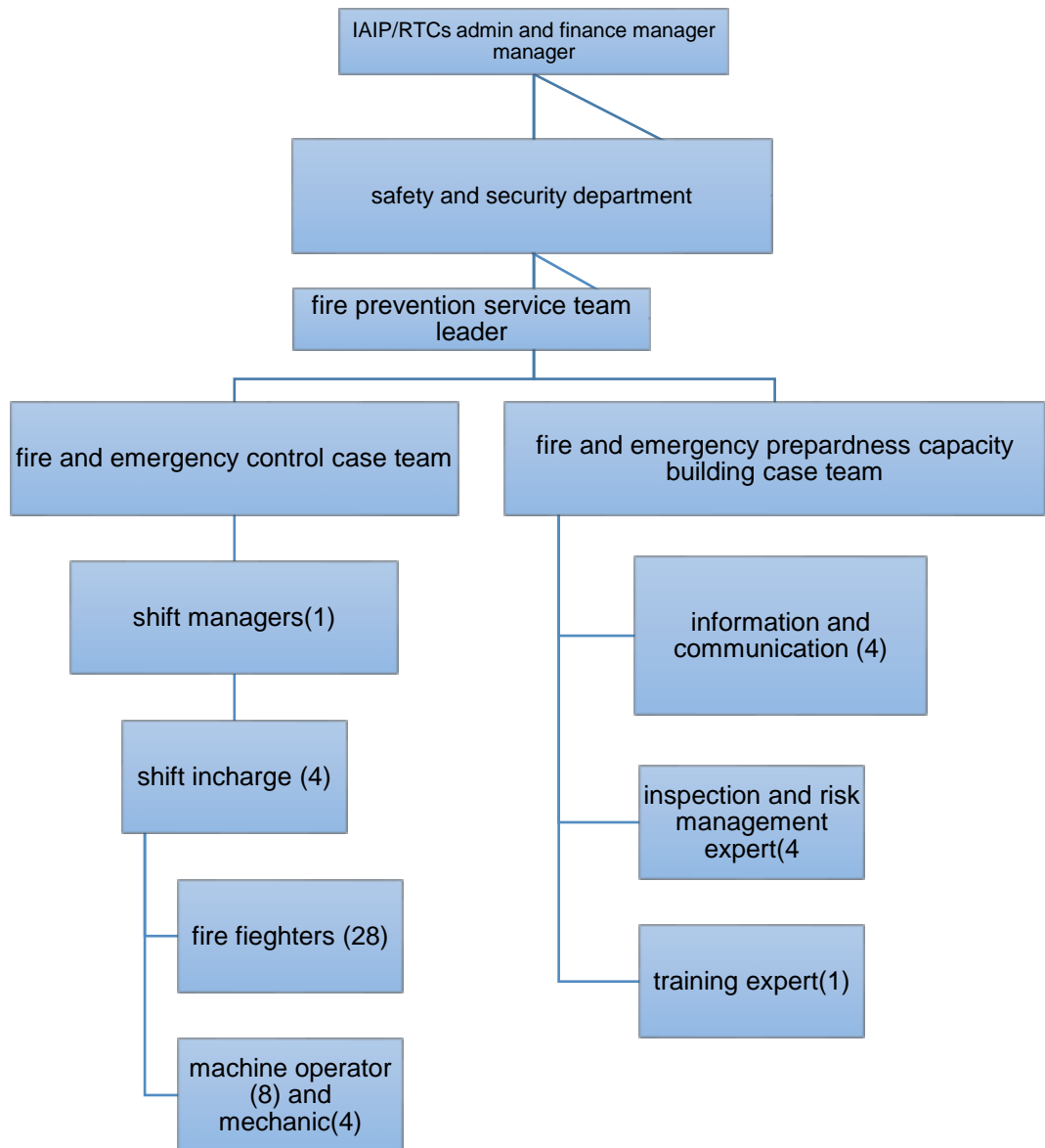
3. STAKEHOLDERS ADDRESS

- The Emergency call numbers for Fire station of IAIP/RTCs is -----
- Fire Shift Manager Offices -----
- The Emergency call numbers of City Fire Dep't -----
- Police -----
- Federal police -----
- Red Cross -----
- Referral Hospital -----
- IAIP Clinic/city health offices-----
- National intelligence office -----

4. FIRE PREVENTION MANAGEMENT OPTIONS

From local operational industrial park experiences, fire prevention services operation and maintenance cost is very high. Though the task assigned to this service is tough when it occurs, almost all workers are idle. Hence, diversifying service provision out of the IAIP/RTCs is recommended. Since IAIP/RTCs has the required minimum facilities to provide services for nearby towns, initial investment, operating and maintenance cost for fire emergency preparedness can be shared. In these regard, initial investment plus 50% of operating and maintenance cost can be covered by IAIP/RTCs while the remaining operating and maintenance cost can be paid by nearby town.

5. PROPOSED STRUCTURE OF THE IAIP/RTCS- FIRE PREVENTION



Minimum qualification for the recruitment of Fire prevention staff shall be at least diploma with competency certificate from nationally recognized relevant authority (see annex 1).

6. RESPONSIBILITIES

6.1. IAIP/RTCs fire prevention services manager

- Supervise and coordinate the IAIP/RTCs- Fire Prevention Programmes.
- Leading workshop and symposiums in order to raise the IAIP/RTCs community safety awareness.
- Ensures postage of different signage's, pictures and cautionary texts inside the IAIP/RTCs
- In collaboration with investors and other stakeholders, prepare the assembly point in case of emergency.
- Support and facilitate training for Integrated Agro Industrial Park Enterprises workers in collaboration with IAIP enterprises management
- Developing disaster risk management strategy of the IAIP/RTCs
- Taking fire emergency prevention measures through awareness creation and inspection
- Inspecting facilities located in the IAIP/RTCs.
- Providing professional consultancy and recommendations, technical supports and advises (in written form or orally) about safety.
- Providing basic fire safety training to IAIP/RTCs entire community.
- Providing fire safety approval certificate to those facilities complying with the rules and regulations and trained personnel.
- Firefighting and responding during any emergency in the IAIP/RTCs
- Lead the overall work process of fire and emergency prevention and rescue
- Fulfill all staffs of the service team, and leading and evaluating their performance annually and biannually.
- Preparing timely strategic, annual and quarterly plan of the of services team and get approval from the Integrated Agro Industrial Park Admin and finance deputy manager.
- Preparing timely performance report on monthly, quarterly biannually and annually based on the plan and submits to IAIP operation and management.
- Ensuring the Participating the IAIP/RTCs enterprises in Fire and emergency works.
- Preparing and get approval on IAIP/RTCs disaster prevention and controlling policy and emergency response plan from IAIP admin and finance deputy manager.
- Working in collaboration with the nearest city administration and those organizations that are implementing disaster risk management and have similar mission.

6.2. Fire and emergency control case team leader

- Inspecting facilities in scheduled time, based on the request of the clients or surprise visit.
- Providing professional consultancy and recommendations, and technical supports.
- Creating basic fire safety awareness amongst the integrated agro industrial park's community especially to the factories' workers and to the parks' community using different Medias.
- Providing certificate for factories complying with all necessary safety criteria.
- Studying the shortest routes to respond during times of emergency, the locations of the facilities, identifying locations of the nearby hydrants in collaboration with investors.
- Conducting risk assessment study regarding the entire vulnerabilities of fire hazard,
- Conduct inspection against relevant standards
- Conducting Reactive reviews following a fire event or emergency.
- Performing a review following a fire system changes to the premises construction and facilities, new procedures, new equipment, new materials and changes in staff numbers and roles.

6.3. Fire and emergency preparedness and capacity building case team leader

- Identifying the cause of the incident.
- Use the identified cause or incident to tackle similar accidents by giving awareness and trainings to occupants.
- Assessing the probability of occurring incident.
- Providing pre-incident warning.
- Maintaining all apparatus and equipment in a constant state of readiness. Refueled whenever the fuel level below of a tank, kept clean in all times
- Inspecting each vehicle properly and recording all the findings.
- Recording every accident in daily, monthly, quarterly, bi-annually and annually.
- Inspecting or auditing all facilities quarterly.
- The incident action plan and all the operations performed on the incident shall be documented.
- Prepare evacuation plan
- Review and approve emergency action plan of each tenants

6.4. Pre-Hospital and Ambulance Services unit to be linked from OHS team

- As soon as the alarm (siren) is rosé, the lifesaving ambulances should be moving immediately to the scene and try to control the incident. The lifesaving ambulances have to leave within 30 seconds of the call and have to reach to any shed within three minutes as a standard.
- Helping the victims at the scene.
- Provide aid within three minutes for victims if any injuries are sustained due to an incident
- Call ambulance, IAIP//RTs nurse and trained first aid responders to attend all victims.
- Whenever the case is heaver, transporting and referring to the nearby hospital shall be coordinated.
- Ensure that medical personnel are ready and available for advice and consultation on the overall employee safety and health condition in the workplace.

6.5. Information and communication case team

- In case of emergency when any incident occurs (seeking for either response to fire or any emergency or ambulance service
- For any services, the investors and other service providers shall contact the team
- For training and inspection issues clients (customers) can directly contact
- Alarms shall have linkage between fire prevention and investors unit

7. PROCEDURE

The overall process for establishing and maintaining the fire protection program at the IAIP/RTCs is summarized as follow:

7.1. Fire Risk Assessments

A risk assessment is an exercise intended to identify hazards, evaluate the nature and extent of the risk posed by those hazards, and assist management in selecting and prioritizing effective control measures. The goal of the risk assessment is ultimately to prevent work-related injuries and illnesses, and unintended damage to the environment as well as IAIP/RTCs equipment or property.

A risk assessment shall be considered sufficient if it:

- realistically identifies workplace hazards;
- reliably predicts the potential injury or harm related to those hazards;
- does not unduly emphasize insignificant or inconsequential risks;
- evaluates the severity of the potential consequences and the workers (and/or visitors, contractors, or members of the public) who would be affected; and
- Provides sufficient information to enable management to select or develop appropriate control measures, taking into account available and appropriate methods or technologies.

IAIP/RTCs fire service is responsible for performing a fire risk assessment in accordance with risk register form (see annex 2).

The risk assessment shall include consideration of facility-specific design, installation, condition, and configuration of mechanical, electrical, and fire suppression systems, as well as potential operational issues such as storage and handling of flammable liquids, backup generator systems, and general housekeeping.

Special skills are needed in fire protection in order to identify potential fire hazards and determine the adequacy of fire detection and fire suppression systems which include portable fire extinguishers, hand-held fire hose systems, exterior fire hydrants, fixed sprinklers or deluge systems, and other appropriate devices.

Where facility-specific fire suppression needs are indicated, the risk assessment shall include an evaluation of the water capacity and availability requirements for fire-fighting purposes, including hose and sprinkler systems, for a minimum duration of 2 hours.

The risk assessment shall identify potential fire and explosion hazards, assess the consequences of loss (risk), prioritize the need for corrective actions, and serve as the basis for confirming the adequacy of existing controls or selecting appropriate improvements. Measures to reduce risk shall emphasize control of ignition sources, reducing exposure of combustible materials to ignition sources, rapid and effective control or suppression of fire. Risk assessment results shall be forwarded to designated fire supervisors for use in planning periodic inspections

7.2. Fire Plans

The fire prevention service team shall develop a Fire Plan for the each major facility that considers the relevant findings of the risk assessment and provides specific directions for responding to a facility fire. Each facility Fire Plan shall, as appropriate:

- list major workplace fire hazards

- describe how to recognize and activate fire alarm actuators and/or audible emergency evacuation signals;
- emphasize that the responsible fire warden and fire brigade must be called immediately if any fire occurs, irrespective of the size of the fire;
- identify specific control points and general instructions for emergency electrical system and process equipment shutdown;
- identify facility evacuation plans, evacuee assembly points, and evacuee roll-call and reporting requirements;
- identify the location of all portable fire extinguishers, hose reels, fire hydrants, and all permanently plumbed fire suppression/sprinkler systems, and provide general instructions for their use;
- summarize specific fire response/fire-fighting procedures and suppression options that are applicable to specific facility areas;
- address contingency actions to be taken if fires cannot be readily controlled without putting fire-fighting personnel in unacceptably dangerous situations;
- identify the Personal Protective Equipment (PPE) requirements for firefighters for specific facility areas
- Address potential environmental issues associated with firefighting, including the control of fire-fighting run-off water.

Fire Plans shall also provide names and contact numbers for proposed fire fighters and fire brigade members for each affected facility, as well as the IAIP/RTCs manager, and all required regulatory agency or stakeholder contacts. Fire brigade responsibilities shall be assigned to staff who are willing and physically able to assume these additional duties.

Draft Fire Plans shall be distributed and approved by relevant stakeholders.

7.3. The need of Training

All IAIP/RTCs staff shall receive training in fire prevention program requirements, commensurate with their responsibilities. Training methodology and documentation requirements shall be in accordance with record keeping standards. Competency of fire staff shall be maintained.

At a minimum, employee training shall explain or emphasize:

- the requirements of area-specific Fire Plans;
- general smoking policies, especially restrictions on smoking within 20 meters of combustible or flammable materials;
- Controls on welding and cutting activities,
- potential fire hazards, their recognition, and reporting procedures;
- safe work practices appropriate to assigned duties;
- different types of fires and appropriate use of fire extinguishers and fire suppression systems; and
- Fire alarm recognition, emergency evacuation procedures, and other fire-safety considerations.

7.4. Routine Inspections

The fire wardens and/or designated fire brigade members shall inspect their assigned work areas on at least a quarterly basis for the following:

- no open fires and no smoking except in designated areas;
- all fire exit doors can be easily and immediately opened from the inside without use of a key;
- no obstructions, apparent defects, or damage exist to fire detection or alarm activation equipment;

- fire-fighting equipment is available, in good working order, and unobstructed and in place;
- the minimum practices of the following SOPs are being followed: “Vehicle Fuelling and Spill Prevention”; “Welding and Cutting Safety and “Electrical Safety”;
- good housekeeping practices are being followed, with emphasis on ensuring that combustible materials are not left near potential ignition sources;
- flammable or combustible materials are properly stored in accordance with “Handling and Storage of Hazardous Materials” safety and adequacy;
- adequate facilities are provided for the disposal of smoking materials; and
- rubbish and waste is properly contained or removed

In addition, fire extinguishers shall be inspected at least quarterly to verify that they are in their proper position and have not been discharged, lost pressure, or suffered obvious damage. Any observed non-conformances shall be documented on Corrective/Preventive Action Request (CPAR) forms and investigated (annexed 3)

7.5. Fire Drills

It is essential that all IAIP/RTCs employees be familiar with evacuation routes and procedures to follow in the event of a fire emergency. The fire brigades will therefore conduct fire drill exercises (i.e., evacuation of premises) in each major facility at least annually. Results shall be documented and presented to the IAIP/RTCs managers for evaluation; affected Fire Plans shall be updated, and additional training scheduled as appropriate.

7.6. Record

Records generated from the routine implementation of this procedure shall be retained in accordance with Records Management and include:

- copies of all area-specific Fire Plans;
- copies of all training session attendance sheets and any distributed handout materials;
- closed Corrective/Preventive Action Request generated from site inspections; and
- Reports documenting the results of annual fire drills.

7.7. List of equipment required

7.7.1. Mobile Fire Extinguishers

- Mobile fire extinguishers should be prepared in different size according to the nature and the size of the combustible materials which could be moved using wheels or carts or cars or drawn by hands. In this case all forms of firefighting shall be available including cars and mobile fire extinguisher.
- They should be checked and charged every six months by expertise (by authorize licensed bodies).
- The service date (the date on which it was checked and charged), the name of the authorized company which made the checking and the date of next checking and charging) should be labeled clearly.
- Should be placed in a way in which easily seen and use.

7.7.2. Fixed Fire Extinguishers

- Installations like
 - ✓ fire hose,
 - ✓ fire sprinklers,
 - ✓ fire hydrants,
 - ✓ heat and smoke detectors,
 - ✓ alarm and siren systems,
 - ✓ safety lights,
 - ✓ safety signs,

- ✓ Emergency call center, and the like should be always functional.
- All alarm systems and fire protection systems must be maintained and tested on a regular basis. It is recommended that alarms be tested weekly.
- Assigning experts who follow the central control panel boards of the detectors.
- The material safety data sheet should be labeled on machines, chemicals and other materials wherever necessary

8. CONCLUSION

This manual can ensure the emergency response preparedness of the IAIP/RTCs and tenant investors. It is to prevent the occurrence of any disaster and if it happened minimize loss of life, property and the environment from fires, natural disasters, and life threatening situations. Hence, implementing this manual in daily operation can enhance tenant investors satisfaction to IAIP/RTCs safety and security.

ANNEXES

Annex 1: Minimum qualification for the recruitment of Fire prevention staff

1.	Fire prevention service team		
1.1.	fire service case team leader	1	BSC in risk management and related field
1.2.	fire and emergency control shift manager	1	BSC in risk management and related field
1.3.	fire and emergency preparedness capacity building supervisor	1	BSC in risk management and related field
1.4.	Shift in charge	4	BSC in risk management and related field
1.5.	Inspection and risk management expert	4	BSC in risk management and related field
1.6.	Information and communication expert	4	BSc in Computer science, MIS
1.7.	Training expert	1	Risk management and related BSc
1.8.	Machine operator	8	General mechanics diploma
1.9.	Mechanic	4	General mechanic diploma
1.10.	Fire fighter	28	Risk management diploma and above
	Total	56	

Annex 2:- risk assessment in accordance with risk register form

Hazard category or source	Risks	Current preventive measures	Persons at risk				Severity of risk with current preventative measures applied	Additional preventive measures to be considered in next year
			Employees	Visitors	Community	company		

Annex 3:- Corrective/Preventive Action Request and Response (CPARR) form

Applicant name: -----
 Application date:-----
 Applicant signature: -----
 Area of concern: -----
 (A) Finding/ Problem
 1. -----
 2. -----
 3. -----
 (B) Proposed Remedial Action
 1. -----
 2. -----
 3. -----
 (B) Root Cause Investigation:
 1. -----
 2. -----

3. -----

(C) Action Plan:

1. -----

Respondent name: -----

Date of response: -----

Signature of respondent -----

(D) Corrective/ Preventive Action Taken:

1. -----

2. -----

3. -----

(F) Select the Effect/ Explain:

- Reduce Cost
- Opportunity
- Avoid Risk

(G) Recommended Actions for other Areas:

1. -----

2. -----

3. -----